

NOWALSKY, BRONSTON & GOTHARD

A Professional Limited Liability Company
Attorneys at Law

Leon L. Nowalsky
Benjamin W. Bronston
Edward P. Gothard
3500 N. Causeway Boulevard
Suite 1442
Metairie, Louisiana 70002
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Facsimile: (504) 831-0892

Monica R. Borne
EllenAnn G. Sands

100 JAN 6 PM 2:13

EXECUTIVE SECRETARY

January 4, 2000

CK# 3942

#50.00

CLEC
Application

Via Overnight Delivery

Executive Secretary's Office
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

ORIGINAL

RE: Network Telephone Corporation

99-0009

Dear Sirs:

Enclosed please find an original and thirteen (13) copies of the application for certificate to provide facilities-based local exchange telecommunication services in Tennessee which is submitted on behalf of Network Telephone Corp. The Company is currently authorized to provide resale services under the name Network Telephone, Inc. The requisite \$50.00 filing fee is also enclosed.

Please acknowledge receipt of this filing by returning a date stamped copy of this cover letter in the self-addressed envelope provided.

If you should have any questions regarding this filing, please do not hesitate to call. Thank you.

Sincerely,



Monica R. Borne

Enclosure

FILE

**BEFORE THE
TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:

APPLICATION OF NETWORK TELEPHONE)
CORPORATION FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO PROVIDE)
FACILITIES-BASED LOCAL EXCHANGE)
TELECOMMUNICATION SERVICES)

Docket No.

99-0009

APPLICATION

Network Telephone Corp. pursuant to the provisions of T.C.A. Sections 65-4-201(b), (c) and (d), hereby applies to the Tennessee Regulatory Authority ("TRA or Authority") for a Certificate of Public Convenience and Necessity ("Certificate") to become a Competing Telecommunications Service Provider as defined by T.C.A. Section 65-4-101(e). Applicant respectfully requests that the Authority grant a Certificate to applicant to provide facilities-based local exchange telecommunications services throughout the State of Tennessee in all geographic locations permitted by the provisions of T.C.A. Sections 65-4-201. The Company agrees to comply with all applicable policies, rules and orders issued by the Tennessee Regulatory Authority in its provision of the requested services.

In support of this Application, Applicant submits the following information:

1. The legal name of the Company and its corporate headquarters address is:

Network Telephone Corp.
815 S. Palafox St.
Pensacola, FL 32501

The Applicant will not have any offices located within the State of Tennessee.

FILE

2. The names and addresses of all corporate officers are as follows:

Ray D. Russenberger
C.E.O.
815 S. Palafox St.
Pensacola, FL 32501

Johnny Matthews
C.F.O.
815 S. Palafox St.
Pensacola, FL 32501

Dennis Allen
V.P., Sales & Marketing
815 S. Palafox St.
Pensacola, FL 32501

3. Applicant is a corporation organized under the laws of the State of Florida and is authorized to transact business in Tennessee. The Applicant's Articles of Incorporation are attached as **Exhibit A**. The Company was initially certified to transact business in Tennessee under its previous name Network Telephone, Inc., and its Certificate of Authority has been amended to reflect its name change. The Amended Certificate of Authority is attached as **Exhibit B**. The Company submits a copy of its By-Laws as **Exhibit C**.

4. Applicant is currently providing local and long distance telecommunications services on a resale basis to customers in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee. Evidence of the authority granted under the name Network Telephone, Inc. in Tennessee is attached as **Exhibit D**. The Company has not been denied authority to operate in any state.

5. Correspondence regarding this Application should be directed to:

Monica R. Borne
Nowalsky, Bronston & Gothard
3500 N. Causeway Blvd., Suite 1442
Metairie, Louisiana 70002
Ph. (504) 832-1984
Fx. (504) 831-0892

6. Applicant is familiar with and will adhere to the Authority's rules, policies and orders regarding the provision of telecommunications service. The name and telephone number of the contact person authorized to respond to ongoing Authority inquiries is:

Johnny Matthews, C.F.O.
Network Telephone Corp.
815 S. Palafox Street
Pensacola, FL 32501
Ph. (850) 432-4855
Fx. (850) 470-9641

7. Applicant seeks a Certificate to provide facilities-based local exchange telecommunications services as would normally be provided by an incumbent local exchange telephone company including, but not limited to, dedicated and switched access services, private line services, local dial tone, toll service and enhanced services. Additionally, Applicant may augment its service offerings in the future to add new services and capabilities. The Applicant is currently authorized to provide local exchange services on a resale basis in Tennessee, and now desires to provide these services as a facilities-based provider. Applicant will ensure that its customers have access to 911 and E911 service, directory assistance, dual party relay service and directory listing. Applicant hereby requests a certificate to offer these services on a statewide basis as allowed by state and federal law. Applicant does not at this time have any franchises from local governments and does not, by this Application, seek authority to provide service pursuant to any franchise documents.

8. The Company's customer service personnel will be available to its local exchange customers via a toll-free customer service number set forth on all monthly billing statements, or by writing to the Company at the corporate address set forth on all monthly billing statements.

9. The Company is fit to offer the services proposed herein and sets forth its managerial, financial and technical ability.

A. **Managerial Fitness:** Applicant has an excellent management team, backed by highly experienced and well trained employees who are competent in engineering, operations, sales and marketing. Attached as **Exhibit E** are profiles of the company's management team.

B. **Financial Fitness:** Applicant submits as **Exhibit F** its most current available financial statements evidencing its financial capability. As a competitive carrier, Applicant maintains its book of accounts in accordance with Generally Accepted Accounting Principals ("GAAP").

C. **Technical Fitness:** Applicant is technically qualified to offer local exchange services. Network Telephone will provide service in Memphis, Nashville, and Chattanooga. The Company will deploy Lucent PathStar switching equipment within its collocation spaces at various BellSouth Tandem locations. The Company will deploy Copper Mountain DSLAM equipment in remote BellSouth central offices. Remote locations will be connected to the PathStar switching equipment within the LATA via BellSouth transport facilities. Diagrams depicting the proposed network deployment plan for each region is attached as **Exhibit G**.

Applicant possesses the requisite level of telecommunications expertise and is technically qualified to provide facilities-based local exchange telecommunications service in Tennessee.

10. Applicant proposes to offer a variety local exchange services which are currently provided by the incumbent local exchange carrier, and will provide additional services as they become available. Applicant will offer its services as a facilities-based provider in accordance with the terms and conditions of its tariff attached as **Exhibit H**. The Company requests approval of its tariff simultaneously with a granting of authority under this Application.

11. Applicant's small and minority owned business plan was previously submitted to the Commission as part of its resale application, and a copy is attached as **Exhibit I**. Applicant acknowledges the importance of supporting small and minority owned telecommunications businesses and agrees to contribute its share to the fund established by the Department of Economic and Community Development in accordance with Section 65-5-213.

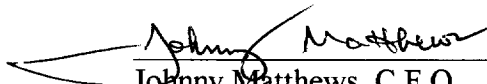
WHEREFORE, Network Telephone Corp prays that:

1. The Tennessee Regulatory Authority grant it a Certificate of Public Convenience and Necessity to provide facilities-based local exchange telecommunications services throughout the State of Tennessee; and

2. The Tennessee Regulatory Authority grant Network Telephone Corp, such other, further and general relief as it might be entitled to under the premises.

DATED this 28th day of December, 1999.

Respectfully submitted,


Johnny Matthews, C.F.O.
Network Telephone Corp.
815 Palafox Street
Pensacola, FL 32501

VERIFICATION

State of Florida)
County of Columbia)

I, Johnny Matthews, as Chief Financial Officer of Network Telephone Corp. do hereby state that as its C.F.O. I am authorized to represent Network Telephone Corp. and to make this Verification on its behalf. The statements in the foregoing application and exhibits are true and correct to the best of my knowledge, information and belief.

By: Johnny Matthews
Johnny Matthews, C.F.O.
Network Telephone Corp.

Sworn to and subscribed before me, this 28th day of December, 1999.



Katherine Forrest
Notary Public

My Commission Expires:

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and exact copy of the foregoing Application on behalf of Network Telephone Corp., via United States mail, first class postage prepaid and properly addressed to the following:

Guy Hicks
BellSouth Telecommunications, Inc.
333 Commerce St., Suite 2101
Nashville, TN 37201-3300

Val Sanford
Gullett, Sanford, Robinson & Martin
P.O. Box 19888
Nashville, TN 37219-8888

Bob Wallace
United Telephone Systems
225 Capitol Blvd. Bldg., Suite 214
Nashville, TN 37219

Roger Briney
AT&T
1200 Peachtree St., NE, Suite 4068
Atlanta, GA 30309

Jim Jenkins
AT&T
511 Union St., Suite 1510
Nashville, TN 37219

Mickey Henry
MCI Telecommunications
780 Johnson Ferry Rd., Suite 700
Atlanta, GA 30342

Joseph Kahl
Metromedia Communications Corp.
One Medowlands Plaza
East Rutherford, NJ 07073

Riley M. Murphy
131 National Business Pkwy.
Suite 100
Annapolis Junction, MD 20701

D. Billye Sanders
Waller, Lansden, Dortch & Davis
511 Union St., Suite 2100
Nashville, TN 37219-1760

H. LaDon Baltimore
Clark, Baltimore and Reeves
3354 Perimeter Hill Dr., Suite 112
Nashville, TN 37211-4129

Bill Wiginton
Hyperion Telecommunications
Boyce Plaza III
2570 Boyce Plaza Rd.
Pittsburgh, PA 15241

William Bates
Hyperion of Tennessee
222 Second Ave. North
Nashville, TN 37201

C. Steve Parrott
United Telephone - SE
14111 Capitol Blvd.
Wake Forest, NC 27587

Henry Walker
Boult, Cummings, Connors & Berry
P.O. Box 198062
Nashville, TN 37219

Charles B. Welch
511 Union St.
Suite 2400
Nashville, TN 37219

Dick Blair
Tennessee Telecommunications Assn.
226 Capitol Blvd.
Nashville, TN 37219

Russell C. Merbeth
Swidler & Berlin
3000 K. St. NW, Suite 300
Washington, DC 20007-5116

John Hastings
Boult, Cummings, Conners & Berry
P.O. Box 198062
Nashville, TN 37219-8062

David Yates
Office of Attorney General
Consumer Advocate Division
Suite 1504, Parkway Towers
404 James Robertson Pkwy.
Nashville, TN 37243

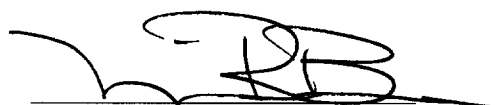
Ted Pappas
Bass, Berry & Sims
2700 First American Center
Nashville, TN 37238

Ozle Allen
Tennessee Telephone Cooperatives
2755 Short Mountain Rd.
McMinnville, TN 37110

Tom McPherson
Benham Leake
6000 Poplar Avenue, Suite 401
Memphis, TN 38119

Kenneth Bryant
Trabue, Sturdivant & DeWitt
2500 Nashville City Center
511 Union St.
Nashville, TN 37219-1738

This 4th day of January, 2000.

A handwritten signature in black ink, appearing to read 'Monica R. Borne', written over a horizontal line.

Monica R. Borne
Nowalsky, Bronston & Gothard

EXHIBIT A

AMENDED CERTIFICATE OF AUTHORITY

Secretary of State

Corporations Section

James K. Polk Building, Suite 1800

Nashville, Tennessee 37243-0306

DATE: 12/20/99
REQUEST NUMBER: 3782-0251
TELEPHONE CONTACT: (615) 741-2286
FILE DATE/TIME: 12/18/99 1222
EFFECTIVE DATE/TIME: 12/18/99 1630
CONTROL NUMBER: 0347356

TO:
NOWALSKY-BRONSTON & GOTHARD, APLLC
3500 N. CAUSEWAY
SUITE 1442
METAIRIE, LA 70002

RE:
NETWORK TELEPHONE CORPORATION
APPLICATION FOR AMENDED CERTIFICATE OF
AUTHORITY - FOR PROFIT

THIS WILL ACKNOWLEDGE THE FILING OF THE ATTACHED DOCUMENT WITH AN
EFFECTIVE DATE AS INDICATED ABOVE.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR
FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE.

FOR: APPLICATION FOR AMENDED CERTIFICATE OF
AUTHORITY - FOR PROFIT

ON DATE: 12/20/99

FROM:
NOWALSKY-BRONSTON (METAIRIE, LA)
SUITE 1275
3900 W. CAUSEWAY
METAIRIE, LA 70002-0000

RECEIVED:	FEES	
	\$20.00	\$0.00
TOTAL PAYMENT RECEIVED:		\$20.00

RECEIPT NUMBER: 00002584462
ACCOUNT NUMBER: 00193877



Riley C. Darnell

RILEY C. DARNELL
SECRETARY OF STATE

APPLICATION FOR AMENDED CERTIFICATE OF AUTHORITY

FILED

99 DEC 16 PM 12:22

SECRETARY OF STATE

To the Secretary of State of the State of Tennessee:

Pursuant to the provisions of Section 48-25-104 of the Tennessee Business Corporation Act, the undersigned corporation hereby applies for an amended certificate of authority to transact business in the State of Tennessee, and for that purpose sets forth:

1. The name of the corporation is Network Telephone, Inc.

If different, the name under which the certificate of authority is to be obtained is Network Telephone Corporation

2. The state or country under whose law it is incorporated is Florida

3. The date of its incorporation is Oct. 22, 1997 (must be month, day, and year), and the period of duration, if other than perpetual, is perpetual

4. The complete street address (including zip code) of its principal office is _____

815 S. Palafox Pensacola Florida 32501

Street City State/Country Zip Code

5. The complete street address (including the county and the zip code) of its registered office in Tennessee is _____

500 Tallan Building, Two Union Square, Chattanooga, TN 37402-2571

Street City/State County Zip Code

The name of its registered agent at that office is Corporation Service Company

6. The names and complete business addresses (including zip code) of its current officers are: (Attach separate sheet if necessary.)

Ray Russenberger, Pres, 815 S. Palafox, Pensacola, FL 32501

Johnny Matthews, VP/CEO, 815 Palafox, Pensacola, FL 32501

7. The names and complete business addresses (including zip code) of its current board of directors are: (Attach separate sheet if necessary.)

Ray Russenberger, 815 S. Palafox, Pensacola, FL 32501

8. The corporation is a corporation for profit.

9. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date/time is _____, 19____ (date), _____ (time).

[NOTE: A delayed effective date shall not be later than the 90th day after the date this document is filed by the Secretary of State.]

[NOTE: This application must be accompanied by a certificate of existence (or a document of similar import) duly

State of Florida



Department of State

RECEIVED
SECRETARY OF STATE
DECEMBER 13 PM 12:22
OFFICE OF THE SECRETARY OF STATE

I certify from the records of this office that NETWORK TELEPHONE, INC. which changed its name to NETWORK TELEPHONE CORPORATION on October 19, 1998, is a corporation organized under the laws of the State of Florida, filed on October 22, 1997.

The document number of this corporation is P97000091365.

I further certify that said corporation has paid all fees due this office through December 31, 1999, that its most recent annual report was filed on April 14, 1999, and its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Fourteenth day of December, 1999



CR2EO22 (1-99)

Katherine Harris

Katherine Harris
Secretary of State

EXHIBIT B

ARTICLES OF INCORPORATION
AN AMENDMENT FOR NAME CHANGE



Department of State

I certify the attached is a true and correct copy of the Articles of Amendment, filed on October 19, 1998, to Articles of Incorporation for NETWORK TELEPHONE, INC. which changed its name to NETWORK TELEPHONE CORPORATION, a Florida corporation, as shown by the records of this office.

The document number of this corporation is P97000091365.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Twentieth day of October, 1998



CR2EO22 (2-95)

Sandra B. Northam
Secretary of State

**ARTICLES OF AMENDMENT TO
ARTICLES OF INCORPORATION****OF****NETWORK TELEPHONE, INC.**

THE UNDERSIGNED, for the purpose of amending the Articles of Incorporation of Network Telephone, Inc., a Florida corporation, filed on October 22, 1997, and assigned charter number P97000091365, hereby adopts the following Articles of Amendment to Articles of Incorporation.

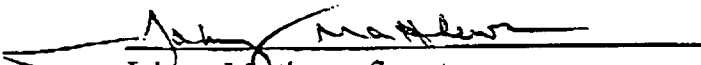
- A. Article I is deleted in its entirety and replaced with the following:

ARTICLE I**NAME**

The name of this corporation is Network Telephone Corporation.

- B. The aforesaid amendment was adopted and approved by all of the Shareholders and all of the Directors by written consent in lieu of meeting on the 6th day of October, 1998.

IN WITNESS WHEREOF, I subscribe my name this 6th day of October 1998.

ATTEST:
Johnny Matthews, Secretary
Ray D. Russenberger, PresidentSECRETARY OF STATE
TALLAHASSEE, FLORIDA

98 OCT 19 PM 1:34

APPROVED
AND
FILED

STATE OF FLORIDA

COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this 6th day of October 1998, as President of the corporation, who is personally known to me or who has produced a driver's license as identification and has not taken an oath.

Susan W Forehand

NOTARY PUBLIC

Commission No. _____

My Commission Expires: _____



Susan W Forehand

My Commission CC707094

Expires February 6, 2002

98 OCT 19 PM 1:31

SECRETARY OF STATE
TALLAHASSEE, FLORIDAAPPROVED
AND
FILED



FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

October 24, 1997

DANIEL R. LOZIER, ESQ.
125 W. ROMANA ST., STE. 224
PENSACOLA, FL 32501

The Articles of Incorporation for NETWORK TELEPHONE, INC. were filed on October 22, 1997 and assigned document number P97000091365. Please refer to this number whenever corresponding with this office regarding the above corporation. The certification you requested is enclosed.

PLEASE NOTE: COMPLIANCE WITH THE FOLLOWING PROCEDURES IS ESSENTIAL TO MAINTAINING YOUR CORPORATE STATUS. FAILURE TO DO SO MAY RESULT IN DISSOLUTION OF YOUR CORPORATION.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THIS OFFICE BETWEEN JANUARY 1 AND MAY 1 OF EACH YEAR BEGINNING WITH THE CALENDAR YEAR FOLLOWING THE YEAR OF THE FILING DATE NOTED ABOVE AND EACH YEAR THEREAFTER. FAILURE TO FILE THE ANNUAL REPORT ON TIME MAY RESULT IN ADMINISTRATIVE DISSOLUTION OF YOUR CORPORATION.

A FEDERAL EMPLOYER IDENTIFICATION (FEI) NUMBER MUST BE SHOWN ON THE ANNUAL REPORT FORM PRIOR TO ITS FILING WITH THIS OFFICE. CONTACT THE INTERNAL REVENUE SERVICE TO RECEIVE THE FEI NUMBER IN TIME TO FILE THE ANNUAL REPORT AT 1-800-829-3676 AND REQUEST FORM SS-4.

SHOULD YOUR CORPORATE MAILING ADDRESS CHANGE, YOU MUST NOTIFY THIS OFFICE IN WRITING, TO INSURE IMPORTANT MAILINGS SUCH AS THE ANNUAL REPORT NOTICES REACH YOU.

Should you have any questions regarding corporations, please contact this office at the address given below.

John Nedeau, Document Specialist
New Filing Section

Letter Number: 897ACCG51810

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of NETWORK TELEPHONE, INC., a Florida corporation, filed on October 22, 1997, as shown by the records of this office.

The document number of this corporation is P97000091365.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Twenty-fourth day of October, 1997



CR25022 (2-95)

Sandra B. Northam

Sandra B. Northam
Secretary of State

ARTICLES OF INCORPORATION
OF
NETWORK TELEPHONE, INC.

FILED
97 OCT 22 AM 8 03
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

THE UNDERSIGNED, for the purpose of forming a corporation under the Florida General Corporation Act, hereby adopt(s) the following Articles of Incorporation:

ARTICLE I

NAME

The name of this corporation is NETWORK TELEPHONE, INC. The principal place of business is 125 W. Romana Street, Suite 224, Pensacola, Florida 32501.

ARTICLE II

DURATION

The duration of this corporation is perpetual.

ARTICLE III

PURPOSE

The general purposes for which this corporation is organized are:

- (1) To transact any lawful business or businesses for which corporations may be incorporated under the Florida General Corporation Act.
- (2) To do such other things as are incidental to the foregoing or necessary, implied, helpful, or desirable in order to accomplish the foregoing.

ARTICLE IV

CAPITAL STOCK

This corporation is authorized to issue 10,000 shares of no par value common stock.

ARTICLE V

REGISTERED OFFICE AND AGENT

The street address of the initial registered office, and the mailing address of the Corporation in this State is 125 W. Romana Street, Suite 224, Pensacola, Florida 32501, and the name of its initial registered agent at such address is Daniel R. Lozier.

ARTICLE VI

BOARD OF DIRECTORS

The initial Board of Directors of this corporation shall consist of one (1) member. The size of the board may be increased or decreased from time to time as prescribed in the bylaws or by applicable law, but never shall the board consist of less than one (1) member.

ARTICLE VII -

INCORPORATORS

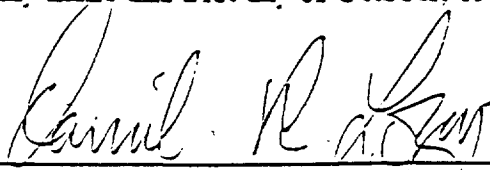
The name and address of the Incorporator is Daniel R. Lozier, 125 W. Romana Street, Suite 224, Pensacola, Florida 32501.

ARTICLE VIII

AMENDMENT

These Articles of Incorporation may be amended in the manner provided by law.

IN WITNESS WHEREOF, I have subscribed my name this 21st day of October, 1997.

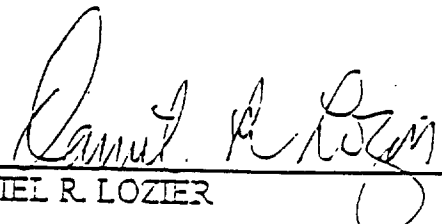


DANIEL R. LOZIER, Incorporator

ACCEPTANCE OF DESIGNATION AS RESIDENT AGENT

I, the undersigned, being the person named as the Registered Agent of NETWORK TELEPHONE, INC., a Florida corporation, hereby certify that I am familiar with the obligations provided for in Florida Statutes Chapter 607.0505 and hereby accept the appointment of Registered Agent and hereby accept said obligations.

DATED: October 21, 1997.

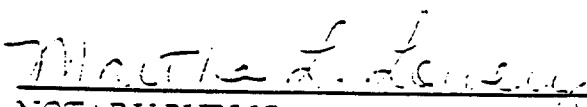


DANIEL R. LOZIER


STATE OF FLORIDA

COUNTY OF ESCAMBLA

The foregoing instrument was acknowledged before me this 21st day of October, 1997, by Daniel R. Lozier, who is personally known to me or who has produced a driver's license as identification and has not taken an oath.



NOTARY PUBLIC
Commission No. _____
My Commission Expires: _____

 Martha L. Lowery
My Commission GC382411
Expires September 22, 2001

FILED
97 OCT 22 AM 10 03
CLERK OF STATE
TALLAHASSEE, FLORIDA

EXHIBIT C

BY-LAWS

BYLAWS
OF
NETWORK TELEPHONE, INC.

ARTICLE I
MEETINGS OF SHAREHOLDERS

Section 1. Annual Meeting. The annual meeting of the shareholders of this corporation shall be held at the time and place designated by the Board of Directors of the corporation. The annual meeting of shareholders for any year shall be held no later than thirteen months after the last preceding annual meeting of shareholders. Business transacted at the annual meeting shall include the election of directors of the corporation.

Section 2. Special Meetings. Special meetings of the shareholders shall be held when directed by the President, the Board of Directors, or when requested in writing, by the holders of not less than ten percent of all the shares entitled to vote at the meeting. A meeting requested by shareholders shall be called for a date not less than ten nor more than sixty days after the request is made, unless the shareholders requesting the meeting designate a later date. The call for the meeting shall be issued by the Secretary, unless the President, Board of Directors, or shareholders requesting the meeting shall designate another person to do so.

Section 3. Place. Meetings of shareholders may be held within or without the state of Florida.

Section 4. Notice. Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered to each shareholder of record entitled to vote at such meeting not less than ten nor more than sixty

days before the meeting, either personally or by first class mail, by or at the direction of the President, the Secretary, or the officer or persons calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at his address as it appears on the stock transfer books of the corporation, with postage thereon prepaid.

Section 5. Notice of Adjourned Meetings. When a meeting is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting. If, however, after adjournment the Board of Directors fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given as provided in this section to each shareholder of record on the new record date entitled to vote at such meeting.

Section 6. Closing of Transfer Books and Fixing Record Date. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other purpose, the Board of Directors may provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, sixty days. If the stock transfer books shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least ten days immediately preceding such meeting.

In lieu of closing the stock transfer books, the Board of Directors may fix in advance a date as the record date for any determination of shareholders, such date in any case to be not more than

sixty days and, in case of a meeting of shareholders, not less than ten days prior to the date on which the particular action requiring such determination of shareholders is to be taken.

If the stock transfer books are not closed and no record date is fixed for the determination of shareholders entitled to notice or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders.

When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof, unless the Board of Directors fixes a new record date for the adjourned meeting.

Section 7. Voting Record. The officers or agent having charge of the stock transfer books for shares of the corporation shall make, at least ten days before each meeting of shareholders, a complete list of the shareholders entitled to vote at such meeting or any adjournment thereof, with the address of and the number and class and series, if any, of shares held by each. The list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the corporation, at the principal place of business of the corporation or at the office of the transfer agent or registrar of the corporation and any shareholder shall be entitled to inspect the list at any time during usual business hours. The list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder at any time during the meeting.

If the requirements of this section have not been substantially complied with, the meeting on demand of any shareholder in person or by proxy, shall be adjourned until the requirements are

complied with. If no such demand is made, failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting.

Section 8. Shareholder Quorum and Voting. A majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. When a specified item of business is required to be voted on by a class or series of stock, a majority of the shares of such class or series shall constitute a quorum for the transaction of such item of business by that class or series.

If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on the subject matter shall be the act of the shareholders unless otherwise provided by law.

After a quorum has been established at a shareholders' meeting, the subsequent withdrawal of shareholders, so as to reduce the number of shareholders entitled to vote at the meeting below the number required for a quorum, shall not affect the validity of any action taken at the meeting or any adjournment thereof.

Section 9. Voting of Shares. Each outstanding share, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders.

Treasury shares, shares of stock of this corporation owned by another corporation the majority of the voting stock of which is owned or controlled by this corporation, and shares of stock of this corporation held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total number of outstanding shares at any given time.

A shareholder may vote either in person or by proxy executed in writing by the shareholder or his duly authorized attorney-in-fact.

At each election for directors every shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected at that time and for whose election he has a right to vote. There shall be no cumulative voting rights.

Shares outstanding in the name of another corporation, domestic or foreign, may be voted by the officer, agent, or proxy designated by the bylaws of the corporate shareholder; or in the absence of any applicable bylaw, by such person as the Board of Directors of the corporate shareholder may designate. Proof of such designation may be made by presentation of a certified copy of the bylaws or other instrument of the corporate shareholders. In the absence of any such designation, or in case of conflicting designation by the corporate shareholder, the chairman of the board, president, any vice president, secretary and treasurer of the corporate shareholder shall be presumed to possess, in that order, authority to vote such shares.

Shares held by an administrator, executor, guardian, custodian, or conservator may be voted by him, either in person or by proxy, without a transfer of such shares into his name. Shares standing in the name of a trustee may be voted by him, either in person or by proxy, but no trustee shall be entitled to vote shares held by him without a transfer of such shares into his name.

Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name if authority so to do be contained in an appropriate order of the court by which such receiver was appointed.

A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee or his nominee shall be entitled to vote the shares so transferred.

On and after the date on which written notice of redemption of redeemable shares has been mailed to the holders thereof and a sum sufficient to redeem such shares has been deposited with a bank or trust company with irrevocable instruction and authority to pay the redemption price to the holders thereof upon surrender of certificates therefor, such shares shall not be entitled to vote on any matter and shall not be deemed to be outstanding shares.

Section 10. Proxies. Every shareholder entitled to vote at a meeting of shareholders or to express consent or dissent without a meeting or a shareholders' duly authorized attorney-in-fact may authorize another person or persons to act for him by proxy.

Every proxy must be signed by the shareholder or his attorney-in-fact. No proxy shall be valid after the expiration of eleven months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the shareholder executing it, except as otherwise provided by law.

The authority of the holder of a proxy to act shall not be revoked by the incompetence or death of the shareholder who executed the proxy unless, before the authority is exercised, written notice of an adjudication of such incompetence or of such death is received by the corporate officer responsible for maintaining the list of shareholders.

If a proxy for the same shares confers authority upon two or more persons and does not otherwise provide, a majority of them present at the meeting, or if only one is present then that one, may exercise all the powers conferred by the proxy, but if the proxy holders present at the meeting

are equally divided as to the right and manner of voting in any particular case, the voting of such shares shall be prorated.

If a proxy expressly provides, any proxy holder may appoint in writing a substitute to act in his place.

Section 11. Voting Trusts. Any number of shareholders of this corporation may create a voting trust for the purpose of conferring upon a trustee or trustees the right to vote or otherwise represent their shares, as provided by law. Where the counterpart of a voting trust agreement and the copy of the record of the holders of voting trust certificates has been deposited with the corporation as provided by law, such documents shall be subject to the same right of examination by a shareholder of the corporation, in person or by agent or attorney, as are the books and records of the corporation, and such counterpart and such copy of such record shall be subject to examination by any holder of record of voting trust certificates either in person or by agent or attorney, at any reasonable time for any proper purpose.

Section 12. Shareholders' Agreements. Two or more shareholders of this corporation may enter an agreement providing for the exercise of voting rights in the manner provided in the agreement or relating to any phase of the affairs of the corporation as provided by law. Nothing therein shall impair the right of this corporation to treat the shareholders of record as entitled to vote the shares standing in their names.

Section 13. Action by Shareholders Without a Meeting. Any action required by law, these bylaws, or the articles of incorporation of this corporation to be taken at any annual or special meeting of shareholders of the corporation, or any action which may be taken at any annual or special meeting of such shareholders, may be taken without a meeting, without prior notice and

without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. If any class of shares is entitled to vote thereon as a class, such written consent shall be required of the holders of a majority of the shares of each class of shares entitled to vote as a class thereon and of the total shares entitled to vote thereon.

Within ten days after obtaining such authorization by written consent, notice shall be given to those shareholders who have not consented in writing. The notice shall fairly summarize the material features of the authorized action and, if the action be a merger, consolidation or sale or exchange of assets for which dissenters' rights are provided under Florida law, the notice shall contain a clear statement of the right of shareholders dissenting therefrom to be paid the fair value of their shares upon compliance with further provisions of Florida law regarding the rights of dissenting shareholders.

ARTICLE II

DIRECTORS

Section 1. Function. All corporate powers shall be exercised by or under the authority of, and the business and affairs of a corporation shall be managed under the direction of, the Board of Directors.

Section 2. Qualification. Directors need not be residents of this state or shareholders of this corporation.

Section 3. Compensation. The Board of Directors shall have authority to fix the compensation of directors.

Section 4. Duties of Directors. A director shall perform his duties as a director, including his duties as a member of any committee of the board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the corporation, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.

In performing his duties, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

(a) one or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented,

(b) counsel, public accountants or other persons as to matters which the director reasonably believes to be within such person's professional or expert competence, or

(c) a committee of the board upon which he does not serve, duly designated in accordance with a provision of the articles of incorporation or the bylaws, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

A director shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause such reliance described above to be unwarranted.

A person who performs his duties in compliance with this section shall have no liability by reason of being or having been a director of the corporation.

Section 5. Presumption of Assent. A director of the corporation who is present at a meeting of its Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest.

Section 6. Number. This corporation shall have initially the number of directors indicated in the Articles of Incorporation. It shall at all times have at least the minimum number of directors required by law, but not more than the maximum number allowed by law. The number of directors may be increased or decreased from time to time, by majority vote of the shareholders. Unless by majority vote the shareholders direct otherwise, the number of directors for each year shall be set at the annual meeting of the shareholders prior to initiation of proceedings for the nomination of directors.

Section 7. Election and Term. Each person named in the articles of incorporation as a member of the initial board of directors shall hold office until the first annual meeting of shareholders, and until his successor shall have been elected and qualified or until his earlier resignation, removal from office or death.

At the first annual meeting of shareholders and at each annual meeting thereafter the shareholders shall elect directors to hold office until the next succeeding annual meeting. Each director shall hold office for the term for which he is elected and until his successor shall have been elected and qualified or until his earlier resignation, removal from office or death.

Section 8. Vacancies. Any vacancy occurring in the Board of Directors, including any vacancy created by reason of an increase in the number of directors, may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall hold office only until the next election of directors by the shareholders.

Section 9. Removal of Directors. Directors may be removed from office by a majority vote of the shareholders, with or without cause, without statement of charges, without notice of any sort, and without an opportunity to be heard.

Section 10. Quorum and Voting. A majority of the number of directors fixed by these bylaws shall constitute a quorum for the transaction of business. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 11. Director Conflicts of Interest. No contract or other transaction between this corporation and one or more of its directors or any other corporation, firm, association or entity in which one or more of the directors are directors or officers or are financially interested, shall be either void or voidable because of such relationship or interest or because such director or directors are present at the meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction or because his or their votes are counted for such purpose, if:

(a) The fact of such relationship or interest is disclosed or known to the Board of Directors or committee which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors; or

(b) The fact of such relationship or interest is disclosed or known to the shareholders entitled to vote and they authorize, approve or ratify such contract or transaction by vote or written consent; or

(c) The contract or transaction is fair and reasonable as to the corporation at the time it is authorized by the board, a committee or the shareholders.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction.

Section 12. ~~Executive and Other Committees.~~ The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may designate from among its members an executive committee and one or more other committees each of which, to the extent provided in such resolution, shall have and may exercise all the authority of the Board of Directors, except that no committee shall have the authority to:

- (a) approve or recommend to shareholders action or proposals required by law to be approved by shareholders,
- (b) designate candidates for the office of director, for purposes of proxy solicitation or otherwise,
- (c) fill vacancies on the Board of Directors or any committee thereof,
- (d) amend the bylaws,
- (e) authorize or approve the reacquisition of shares unless pursuant to a general formula or method specified by the Board of Directors, or
- (f) authorize or approve the issuance or sale of, or any contract to issue or sell, shares or designate the terms of a series of a class of shares, except that the Board of Directors, having acted regarding general authorization for the issuance or sale of shares, or any contract therefor, and, in the case of a series, the designation thereof, may, pursuant to a general formula or method specified by the Board of Directors, by resolution or by adoption of a stock option or other plan, authorize a committee to fix the terms of any contract for the sale of the shares and to fix the terms upon which

such shares may be issued or sold, including, without limitation, the price, the rate or manner of payment of dividends, provisions for redemption, sinking fund, conversion, voting or preferential rights, and provisions for other features of a class of shares, or a series of a class of shares, with full power in such committee to adopt any final resolution setting forth all the terms thereof and to authorize the statement of the terms of a series for filing with the Department of State.

The Board of Directors, by resolution adopted in accordance with this section, may designate one or more directors as alternate members of any such committee, who may act in the place and stead of any absent member or members at any meeting of such committee.

Section 13. Place of Meetings. Regular and special meetings by the Board of Directors may be held within or without the state of Florida.

Section 14. Time, Notice and Call of Meetings. Regular meetings of the Board of Directors shall be held without notice immediately following the annual meeting of the shareholders. Written notice of the time and place of special meetings of the Board of Directors shall be given to each director by either personal delivery, telegram or cablegram at least two days before the meeting or by notice mailed to the director at least five days before the meeting.

Notice of a meeting of the Board of Directors need not be given to any director who signs a waiver of notice either before or after the meeting. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting and waiver of any and all obligations to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a director states, at the beginning of the meeting, any objection to the transaction of business because the meeting is not lawfully called or convened.

Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

A majority of the directors present, whether or not a quorum exists, may adjourn any meeting of the Board of Directors to another time and place. Notice of any such adjourned meeting shall be given to the directors who were not present at the time of the adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other directors.

Meetings of the Board of Directors may be called by the chairman of the board, by the president of the corporation, or by any two directors.

Members of the Board of Directors may participate in a meeting of such board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 15. Action Without a Meeting. Any action required to be taken at a meeting of the directors of a corporation, or any action which may be taken at a meeting of the directors or a committee thereof, may be taken without a meeting if a consent in writing, setting forth the action so to be taken, signed by all of the directors, or all the members of the committee, as the case may be, is filed in the minutes of the proceedings of the board or of the committee. Such consent shall have the same effect as a unanimous vote.

ARTICLE III

OFFICERS

Section 1. Officers. The officers of this corporation shall consist of a president, a secretary and a treasurer, each of whom shall be elected by the Board of Directors at the first meeting of

directors immediately following the annual meeting of shareholders of this corporation, and shall serve until their successors are chosen and qualify. Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by the Board of Directors from time to time. Any two or more offices may be held by the same person. The failure to elect a president, secretary or treasurer shall not affect the existence of this corporation.

Section 2. Duties. The officers of this corporation shall have the following duties:

The President shall be the chief executive officer of the corporation, shall have general and active management of the business and affairs of the corporation subject to the directions of the Board of Directors, and shall preside at all meetings of the stockholders and Board of Directors.

The Secretary shall have custody of, and maintain, all of the corporate records except the financial records; shall record the minutes of all meetings of the stockholders and Board of Directors, send all notices of meetings out, and perform such other duties as may be prescribed by the Board of Directors or the President.

The Treasurer shall have custody of all corporate funds and financial records, shall keep full and accurate accounts of receipts and disbursements and render accounts thereof at the annual meetings of stockholders and whenever else required by the Board of Directors or the President, and shall perform such other duties as may be prescribed by the Board of Directors or the President.

Section 3. Removal of Officers. Any officer or agent elected or appointed by the Board of Directors may be removed by the board whenever in its judgment the best interests of the corporation will be served thereby.

Any officer or agent elected by the shareholders may be removed only by vote of the shareholders, unless the shareholders shall have authorized the directors to remove such officer or agent.

Any vacancy, however occurring, in any office may be filled by the Board of Directors, unless the bylaws shall have expressly reserved such power to the shareholders.

Removal of any officer shall be without prejudice to the contract rights, if any, of the person so removed; however, election or appointment of an officer or agent shall not of itself create contract rights.

ARTICLE IV

STOCK CERTIFICATES

Section 1. Issuance. Every holder of shares in this corporation shall be entitled to have a certificate, representing all shares to which he is entitled. No certificate shall be issued for any share until such share is fully paid.

Section 2. Form. Certificates representing shares in this corporation shall be signed by the President or Vice President and the Secretary or an Assistant Secretary or the Treasurer and may be sealed with the seal of this corporation or a facsimile thereof. The signatures of the President or Vice President and the Secretary or Assistant Secretary or the Treasurer may be facsimiles if the certificate is manually signed on behalf of a transfer agent or a registrar, other than the corporation itself or an employee of the corporation. In case any officer who signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer at the date of its issuance.

Every certificate representing shares issued by this corporation shall set forth or fairly summarize upon the face or back of the certificate, or shall state that the corporation will furnish to any shareholder upon request and without charge a full statement of, the designations, preferences, limitations and relative rights of the shares of each class or series authorized to be issued, and the variations in the relative rights and preferences between the shares of each series so far as the same have been fixed and determined, and the authority of the Board of Directors to fix and determine the relative rights and preferences of subsequent series.

Every certificate representing shares which are restricted as to the sale, disposition or other transfer of such shares shall state that such shares are restricted as to transfer and shall set forth or fairly summarize upon the certificate, or shall state that the corporation will furnish to any shareholder upon request and without charge a full statement of such restrictions.

Each certificate representing shares shall state upon the face thereof: the name of the corporation; that the corporation is organized under the laws of this state; the name of the person or persons to whom issued; the number and class of shares, and the designation of the series, if any, which such certificate represents; and the par value of each share represented by such certificate, or a statement that the shares are without par value.

Section 3. Transfer of Stock. The corporation shall register a stock certificate presented to it for transfer if the certificate is properly endorsed by the holder of record or by his duly authorized attorney. If the transfer agent has any question concerning the signature of such person, he may require that the signature be guaranteed by a commercial bank or trust company or by a member of the New York or American Stock Exchange.

Section 4. Lost, Stolen or Destroyed Certificates. The corporation shall issue a new stock certificate in the place of any certificate previously issued if the holder of record of the certificate (a) makes proof in affidavit form that it has been lost, destroyed or wrongfully taken; (b) requests the issuance of a new certificate before the corporation has notice that the certificate has been acquired by a purchaser for value in good faith and without notice of any adverse claim; (c) gives bond in such form as the corporation may direct, to indemnify the corporation, the transfer agent, and registrar against any claim that may be made on account of the alleged loss, destruction, or theft of a certificate; and (d) satisfies any other reasonable requirements imposed by the corporation.

ARTICLE V

BOOKS AND RECORDS

Section 1. Books and Records. This corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its shareholders, board of directors and committees of directors.

This corporation shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar, a record of its shareholders, giving the names and addresses of all shareholders, and the number, class and series, if any, of the shares held by each.

Any books, records, and minutes may be in written form or in any other form capable of being converted into written form within a reasonable time.

Section 2. Shareholders' Inspection Rights. Any person who shall have been a holder of record of shares or of voting trust certificates therefor at least six months immediately preceding his demand or shall be the holder of record of, or the holder of record of voting trust certificates for, at least five percent of the outstanding shares of any class or series of the corporation, upon written

demand stating the purpose thereof, shall have the right to examine, in person or by agent or attorney, at any reasonable time or times, for any proper purpose its relevant books and records of accounts, minutes and records of shareholders and to make extracts therefrom.

Section 3. Financial Information. Not later than four months after the close of each fiscal year, this corporation shall prepare a balance sheet showing in reasonable detail the financial condition of the corporation as of the close of its fiscal year, and a profit and loss statement showing the results of the operations of the corporation during its fiscal year.

Upon the written request of any shareholder or holder of voting trust certificates for shares of the corporation, the corporation shall mail to such shareholder or holder of voting trust certificates a copy of the most recent such balance sheet and profit and loss statement.

The balance sheets and profit and loss statements shall be filed in the registered office of the corporation in this state, shall be kept for at least five years, and shall be subject to inspection during business hours by any shareholder or holder of voting trust certificates, in person or by agent.

ARTICLE VI

CORPORATE SEAL

The Board of Directors shall provide a corporate seal which shall be in such form as shall be required by or permitted by Florida law.

ARTICLE VII**AMENDMENT**

These bylaws may be repealed or amended, and new bylaws may be adopted, by majority vote of either the Board of Directors or the shareholders, provided, however, that the Board of Directors shall not have the power to adopt, alter, amend or repeal bylaws if such action would be inconsistent with any bylaws adopted by the shareholders.

EXHIBIT D

EVIDENCE OF RESALE AUTHORITY IN TENNESSEE

Company ID: 128160
Network Telephone, Inc.
804 S. Palafox
Pensacola, FL 32501

BEFORE THE TENNESSEE REGULATORY AUTHORITY-
Nashville, TN
February 2, 1999

IN RE: CASE NUMBER: 98-00349

Application for Authority to Provide Operator Services and/or Resell Telecommunications Services in Tennessee Pursuant to Rule 1220-4-2-.57.

---ORDER---

This matter is before the Tennessee Regulatory Authority upon the application of the above-mentioned company for certification as a reseller or telecommunication operator service provider in Tennessee. The TRA considered this application at a Conference held on February 2, 1999 and concluded that the applicant has met all the requirements for certification and should be authorized to provide operator services and/or resell telecommunications services on an intrastate basis.

IT IS THEREFORE ORDERED:

1. That the above-mentioned company is issued a Certificate of Convenience and Necessity as an operator service provider and/or reseller of telecommunications services for state-wide service in Tennessee as specified in its application on file with the Authority.
2. That said company shall comply with all applicable state laws and TRA rules and regulations.
3. That this order shall be retained as proof of certification with this Authority, and may be used to obtain appropriately tariffed service and billing arrangements from Authority authorized telecommunications service providers.

ATTEST:


Executive Secretary

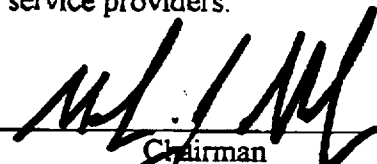
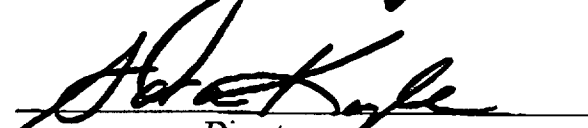
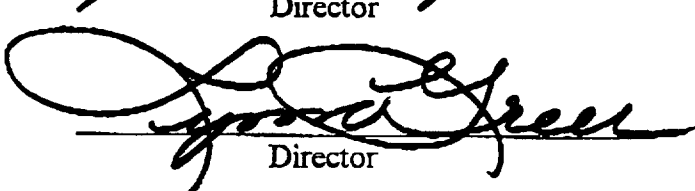

Chairman

Director

Director

EXHIBIT E

MANAGEMENT PROFILES

Biographies

Arvil Fowler Chief Technical Officer

Mr. Fowler graduated from Louisiana Tech University in 1979 with a Bachelor of Science in Civil Engineering. He has more than 20 years of experience in the telecommunications industry. From 1979 to 1982, Mr. Fowler developed tariffs and provided cost separations studies for independent telephone companies. From 1982 to 1998 he was Vice President of Operations and Engineering for Long Distance Savers. In this capacity he built the switching and transmission infrastructure for the \$100 million revenue long distance and Internet company which operated in five states. Prior to his employment with Network Telephone, Mr. Fowler was Vice President of Network Services for Century Telephone, and was responsible for engineering and operations for the local exchange, long distance, and other competitive networks. In addition, Mr. Fowler served on the Technology Committee for Cedar Creek High School, providing campus fiber optics, Internet and Internet services with grants obtained from state and private funds.

Donald Keith Network Manager

Mr. Keith has been involved in the telecommunications industry for approximately 25 years. From 1997 to 1999, Mr. Keith served as a Senior Field Engineer for Northern Telecom (Nortel) where he was responsible for complete on-site engineering, site surveys and office drawings for DMS 10 initial, extension and remote switch installation. Mr. Keith served as a Network Design Engineer for St. Joseph Telecommunications from 1984 to 1997, where he was responsible for digital stored program switch planning and network design for all types of public and private dialing traffic, and for the evaluation and selection of digital switches for the company's network.

Deborah Gainor Network Design

Ms. Gainor has 16 years of experience in the telecommunications industry. She began her career with Southland communications Corporation in a marketing capacity where she was exposed to the local, long distance, telephone equipment, paging, cellular and wholesale telecommunications markets. She directly contributed to the growth of the company by assisting with the establishment of all operating subsidiaries. After relocation, Ms. Gainor maintained an executive role with American Network Exchange, a newly established operator service provider. She was responsible for the implementation and maintenance of a national network to include three switched and three live and independent automated operator facilities. She was instrumental in building a strong operation structure attracting a publicly traded organization to acquire the company. After the corporate acquisition, she successfully consolidated two networks. She negotiated all vendor contracts supporting a \$16 million network. During her seven-year employment, she was responsible for operations and customer service. Ms. Gainor served as a consultant for one year with Technologies Management where she filed applications and tariffs for local, long distance and operator service providers. In 1996, Ms. Gainor accepted

a position with Touch 1 Communications as Vice President of Network Operations and Regulatory Affairs. While there, she was responsible for maintaining a \$44 million national network, which supported over a million residential subscribers. She also renegotiated and introduced vendor contracts which saved the company over \$6 million annually, and developed a plan to redesign the existing network configuration for recognize an additional 15% savings.

Luie Holland
Network Transmission Engineer

Mr. Holland has 38 years of experience in the telecommunications industry. He worked for 19 years for Vitro Services, an Air Force Contractor, maintaining microwave, carrier and multiplex equipment. In 1980 he began employment with St. Joseph Telephone and Telegraph maintaining central office Telephone switching and transmission equipment and worked through 1986 as St Joseph's Outside Plant District Supervisor. He has also worked as Central Office Engineer for Military Projects and Network Engineer for Transmission and Special Services at Tyndall Air Force Base. From May 1997 to July 1999 Mr. Holland was Transmission Engineer for Southern Communication Project, Inc. in Marianna, Florida.

Justin Sanford
Equipment Engineer

Mr. Sanford graduated from the University of Florida in 1995 with a degree in Business Administration. He has four years of progressively responsible experience in the telecommunications and Internet field, beginning as a Network Administrator for Atlantic.Net Internet Services where he was responsible for system administration. Mr. Sanford was also employed as a Senior Technical Associate for AT&T Solutions, where he was responsible for configuration, system administration, and monitoring and coordinating client care of multiple LAN/WANs. He also worked for AT&T Business Information Solutions as a Data Network Account Executive. Following his employment with AT&T, Mr. Sanford returned to Atlantic.Net Internet as Vice President of Operations, and was responsible for securing large network outsourcing deals, strategic business development, and budgeting.

EXHIBIT F

FINANCIAL STATEMENTS

Network Telephone Corporation

Statement of Cash Flows

For the ten months ending October 31, 1999 and the year ended December 31, 1998

	10/31/99	12/31/98
Operating activities		
Net loss	\$ (3,343,862)	\$ (452,404)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization	92,379	29,606
Provision for losses on accounts receivable	109,435	28,037
Changes in operating assets and liabilities, net of acquisition of business:		
Increase in accounts receivable	(1,026,894)	(256,913)
Increase in prepaid expenses and other assets	(471,661)	(46,392)
Increase in accounts payable and accrued expenses	1,367,594	111,326
Increase in advanced billings	263,317	93,688
Net cash used in operating activities	(3,009,692)	(493,052)
Investing activities		
Purchases of property and equipment	(1,905,466)	(179,591)
Purchases of intangibles	20,818	(12,831)
Net cash used in investing activities	(1,884,648)	(192,422)
Financing activities		
Proceeds from issuance shares	11,250,000	-
Share issue cost	(596,125)	-
Proceeds from debt	1,365,326	-
Contributed capital	641,150	692,019
Net cash provided by financing activities	12,660,351	692,019
Net increase in cash and cash equivalents	7,766,011	6,545
Cash and cash equivalents at beginning of period	13,280	6,735
Cash and cash equivalents at end of period	\$ 7,779,291	\$ 13,280

Network Telephone Corporation

Balance Sheet

	10/31/99	12/31/98	Difference	% Change
Assets				
Current Assets:				
Cash and cash equivalents	\$ 5,904,053	\$ 13,280	\$ 5,890,773	44358.2%
Accounts receivable, net of allowance of \$122,969 and \$74,287, respectively	1,529,198	250,862	1,278,336	509.6%
Prepaid expenses and other current assets	648,820	76,541	572,279	747.7%
Total current assets	8,082,071	340,683	7,741,388	2272.3%
Property and equipment:				
Office and data processing	3,051,493	410,937	2,640,556	642.6%
Construction-in-progress	1,427,876	58,000	1,369,876	2361.9%
	4,479,369	468,937	4,010,432	855.2%
Accumulated depreciation	(123,051)	(26,809)	(96,242)	359.0%
	4,356,318	442,128	3,914,190	885.3%
Intangible assets, net	35,995	80,599	(44,604)	-55.3%
Total assets	\$ 12,474,384	\$ 863,410	\$ 11,610,974	1344.8%
Liabilities and shareholder's equity				
Current liabilities:				
Accounts payable and accrued expenses	3,390,407	228,806	3,161,601	1381.8%
Loan to shareholder	728,815	-	728,815	#DIV/0!
Advanced billings	431,198	92,304	338,894	367.1%
Total current liabilities	4,550,420	321,110	4,229,310	1317.1%
Shareholder's equity:				
Common stock, par value \$0.01:				
Authorized shares - 22,600,000; Issued and outstanding shares - 8,000,000	80,000	1,000	79,000	7900.0%
Preferred stock, par value \$0.01:				
Authorized shares - 11,959,321; Issued and outstanding shares - 7,500,000	75,000	-	-	
Stock subscription receivable	-	-	-	
Additional paid-in capital	12,494,403	1,358,975	11,135,428	819.4%
Retained earnings (deficit)	(4,725,439)	(817,675)	(3,907,764)	477.9%
Total shareholder's equity	7,923,964	542,300	7,306,664	1347.3%
Total liabilities and shareholder's equity	\$ 12,474,384	\$ 863,410	\$ 11,535,974	1336.1%

Network Telephone Corporation

Statement of Operations

For the ten months ending October 31, 1999 and the year ended December 31, 1998

	<u>10/31/99</u>	<u>12/31/98</u>	<u>Difference</u>	<u>Change as a % of Revenue</u>
Revenues	\$ 4,197,478	\$ 267,726	\$ 3,929,752	1467.8%
Operating expenses:				
Line costs	4,220,301	269,210	3,951,091	94.1%
Selling, general & administrative expenses				
Sales commissions and salaries	694,460	430,669	263,791	6.3%
Operations salaries	224,073	-	224,073	5.3%
General & administrative salaries	1,116,412	-	1,116,412	26.6%
Contract labor	96,662	-	96,662	2.3%
Professional fees	103,285	-	103,285	2.5%
Rent	85,145	-	85,145	2.0%
Bad Debt	144,435	-	144,435	3.4%
Other	1,283,050	-	1,283,050	30.6%
Total operating expenses	<u>7,967,823</u>	<u>699,879</u>	<u>7,267,944</u>	173.2%
Operating income (loss)	(3,770,345)	(432,153)	(3,338,192)	-79.5%
Other income (expense):				
Other income	111,641	9,355	102,286	2.4%
Depreciation and amortization	<u>(111,072)</u>	<u>(29,606)</u>	<u>30,175</u>	0.7%
Total other expenses	569	(20,251)	132,461	3.2%
Net loss prior to cumulative change in accounting principle:	(3,769,776)	(452,404)	(3,205,731)	-76.4%
Cummulative change in accounting principle	(138,112)	-	-	0.0%
Net loss after cumulative change in accounting	<u><u>\$(3,907,888)</u></u>	<u><u>\$(452,404)</u></u>	<u><u>\$(3,205,731)</u></u>	-76.4%

Network Telephone Corporation

Statement of Changes in Shareholder's Equity

For the period ending October 31, 1999

	Common Stock Number	Amount	Preferred Stock Number	Amount	Additional Paid-in Capital	Retained Earnings (Deficit)	Total Shareholder's Equity
Balance at December 31, 1998 (audited)	100	\$ 1,000.00	-	\$ -	\$ 1,358,975	\$ (817,675)	\$ 542,300
Prior Period Adjustment Contributed capital					641,025	(2,977)	(2,977) 641,025
Net loss for the quarter ending March 31, 1999						(747,559)	(747,559)
Balance at March 31, 1999	100	\$ 1,000	-	\$ -	\$ 2,000,000	\$ (1,568,211)	\$ 432,789
Prior Period Adjustment Contributed capital					-	3,102	3,102
Net loss for the quarter ending June 30, 1999						(1,166,488)	(1,166,488)
Balance at June 30, 1999	100	\$ 1,000	-	\$ -	\$ 2,000,000	\$ (2,731,597)	\$ (730,597)
Shares Issued	7,999,900	79,000	7,500,000	75,000	10,499,875		10,653,875
Net loss for the quarter ending September 30, 1999						(1,418,867)	(1,418,867)
Balance at September 30, 1999	8,000,000	\$ 80,000	7,500,000	\$ 75,000	\$ 12,499,875	\$ (4,150,464)	\$ 8,504,411
Shares Issued					(5,472)		(5,472)
Net loss for the month ending October 31, 1999						(574,975)	(574,975)
Balance at October 31, 1999	8,000,000	\$ 80,000	7,500,000	\$ 75,000	\$ 12,494,403	\$ (4,725,439)	\$ 7,923,964

Network Telephone Corporation

Statement of Cash Flows

For the ten months ending October 31, 1999 and the year ended December 31, 1998

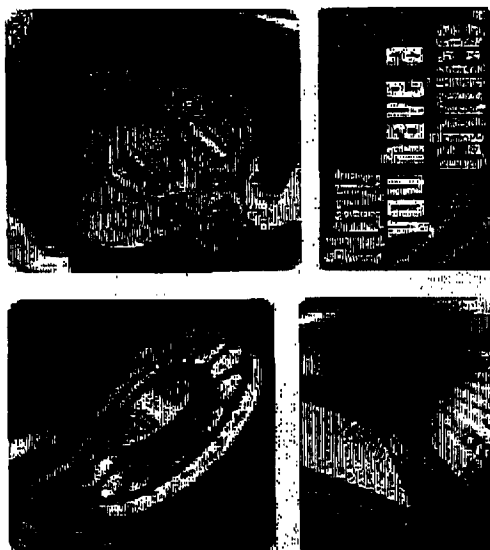
	<u>10/31/99</u>	<u>12/31/98</u>
Operating activities		
Net loss	\$ (3,343,862)	\$ (452,404)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization	92,379	29,606
Provision for losses on accounts receivable	109,435	28,037
Changes in operating assets and liabilities, net of acquisition of business:		
Increase in accounts receivable	(1,026,894)	(256,913)
Increase in prepaid expenses and other assets	(471,661)	(46,392)
Increase in accounts payable and accrued expenses	1,367,594	111,326
Increase in advanced billings	263,317	93,688
Net cash used in operating activities	<u>(3,009,692)</u>	<u>(493,052)</u>
Investing activities		
Purchases of property and equipment	(1,905,466)	(179,591)
Purchases of intangibles	20,818	(12,831)
Net cash used in investing activities	<u>(1,884,648)</u>	<u>(192,422)</u>
Financing activities		
Proceeds from issuance shares	11,250,000	-
Share issue cost	(596,125)	-
Proceeds from debt	1,365,326	-
Contributed capital	641,150	692,019
Net cash provided by financing activities	<u>12,660,351</u>	<u>692,019</u>
Net increase in cash and cash equivalents	<u>7,766,011</u>	<u>6,545</u>
Cash and cash equivalents at beginning of period	13,280	6,735
Cash and cash equivalents at end of period	<u>\$ 7,779,291</u>	<u>\$ 13,280</u>

EXHIBIT G

DIAGRAM OF PROPOSED NETWORK DEPLOYMENT



Network telephone

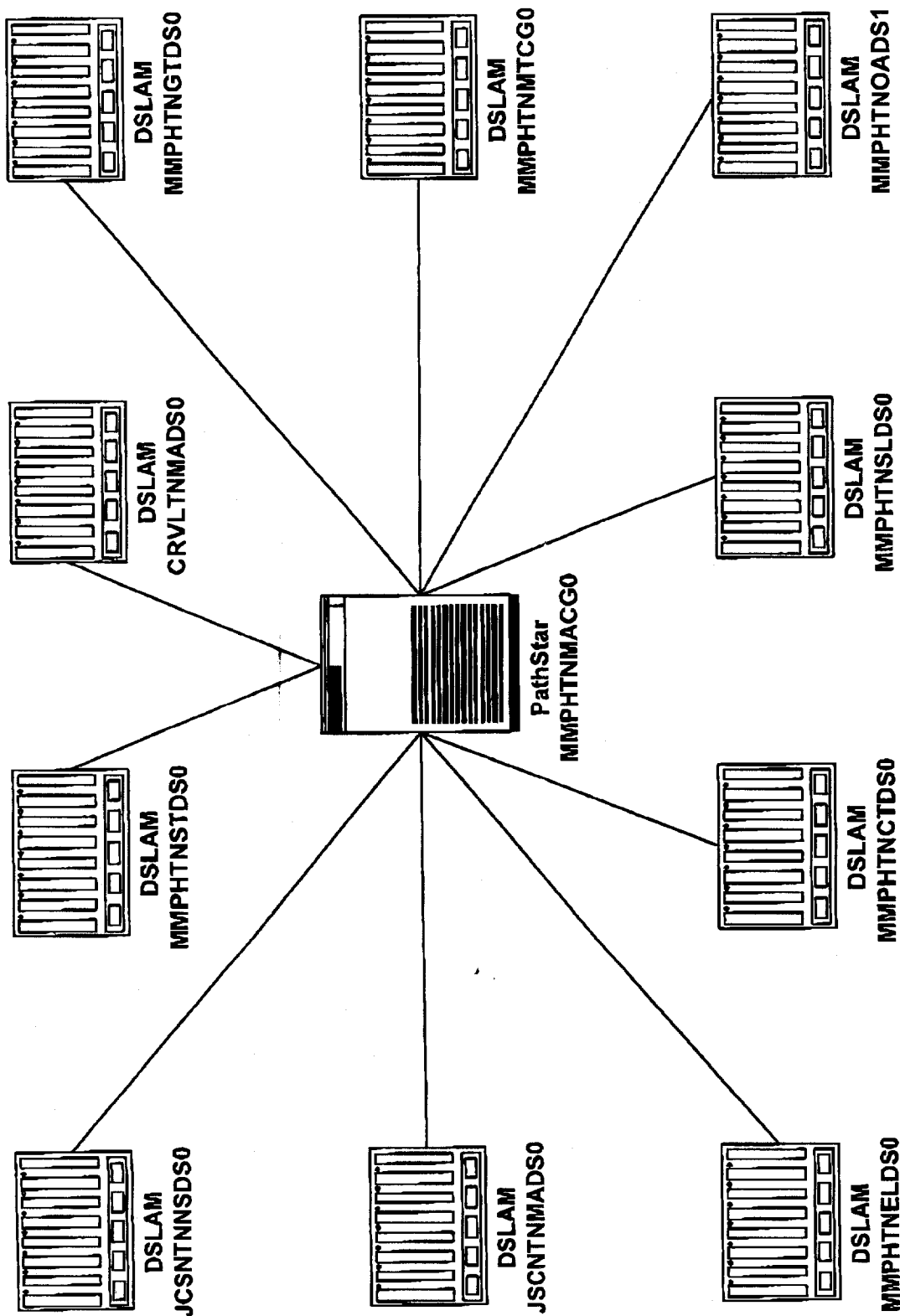


Tennessee deployment



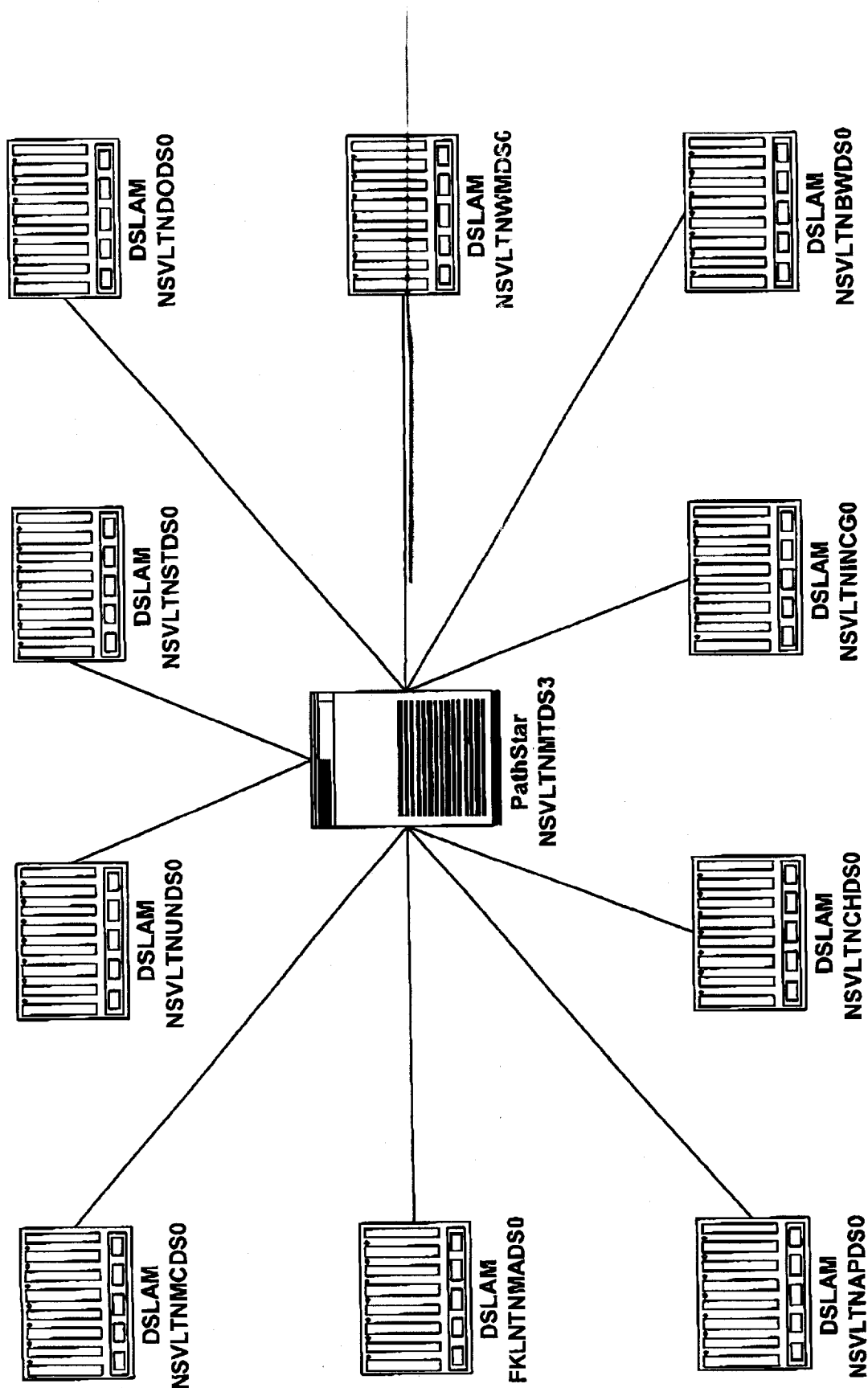
Network Deployment

- Network Telephone(NTC) will provide service in Memphis, Nashville, Knoxville, Chattanooga.
- NTC will deploy Lucent PathStar switching equipment within our collocation space at various BellSouth Tandem locations.
- NTC will deploy Copper Mountain DSLAM equipment in remote BellSouth central offices.
- NTC will connect the remote locations to the PathStar switching equipment within the LATA via BellSouth transport facilities.
- The following diagrams depict NTC's proposed network deployment plan for each respective region.

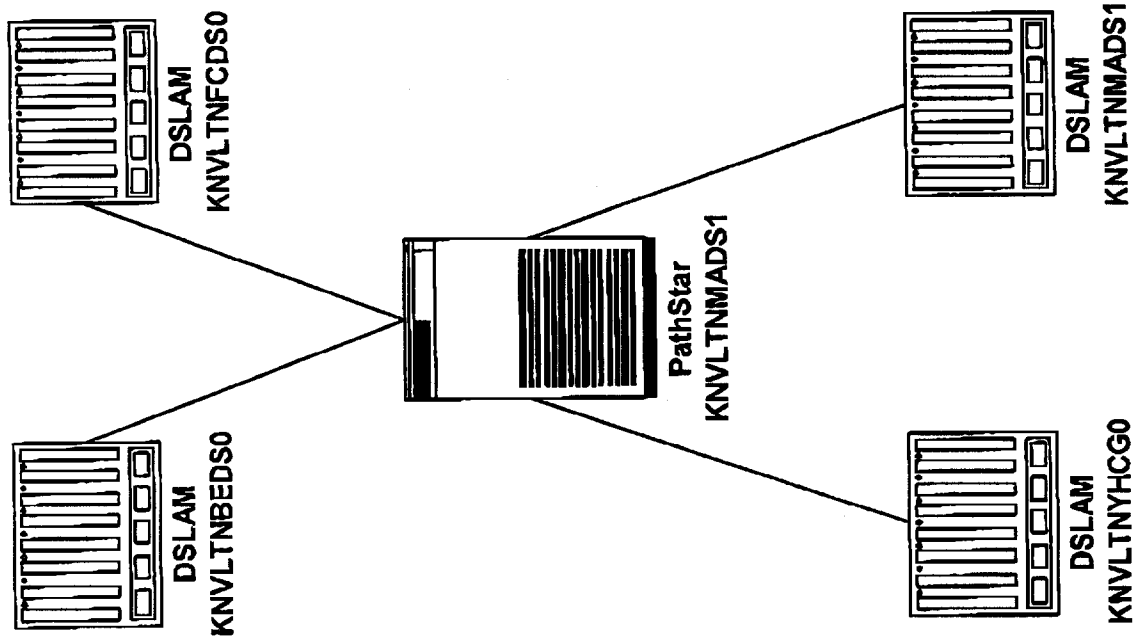


Memphis, TN LATA 468

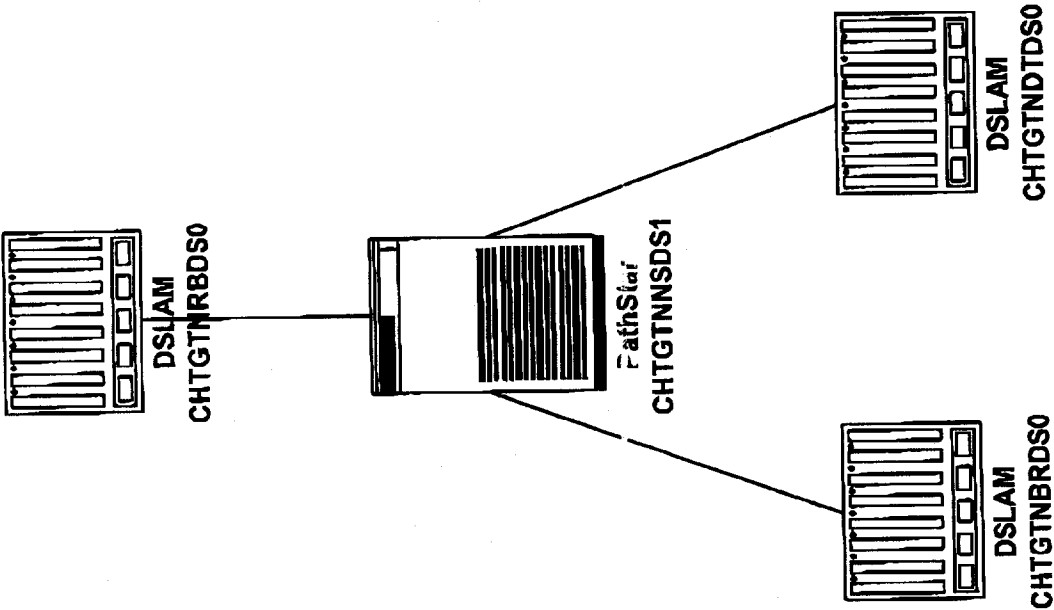




Nashville, TN LATA 470



Knoxville, TN LATA 474



Chattanooga, TN LATA 472

EXHIBIT H

INITIAL TARIFF

NETWORK TELEPHONE CORPORATION
FACILITIES-BASED LOCAL EXCHANGE SERVICES
T.R.A. NO. 1

Original Title Page

NETWORK TELEPHONE CORPORATION

REGULATIONS AND SCHEDULE OF INTRASTATE CHARGES
APPLYING TO LOCAL EXCHANGE SERVICE
WITHIN THE STATE OF TENNESSEE

ISSUED: January 4, 2000

EFFECTIVE:

Johnny Matthews, CFO
Network Telephone Corp.
815 S. Palafox Street
Pensacola, Florida 32501

NETWORK TELEPHONE CORPORATION
FACILITIES-BASED LOCAL EXCHANGE SERVICES
T.R.A. NO. 1

Original Page 1

CHECK SHEET

All pages of this tariff are effective as of the date shown. Original and revised pages, as named below, comprise all changes from the original tariff in effect on the date indicated.

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24	Original
25	Original

ISSUED: January 4, 2000

EFFECTIVE:

Johnny Matthews, CFO
Network Telephone Corp.
815 S. Palafox Street
Pensacola, Florida 32501

NETWORK TELEPHONE CORPORATION
FACILITIES-BASED LOCAL EXCHANGE SERVICES
T.R.A. NO. 1

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NETWORK TELEPHONE CORPORATION
FACILITIES-BASED LOCAL EXCHANGE SERVICES
T.R.A. NO. 1

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NETWORK TELEPHONE CORPORATION

FACILITIES-BASED LOCAL EXCHANGE SERVICES

T.R.A. NO. 1

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*Pagination changes due to relocation of text

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NETWORK TELEPHONE CORPORATION

FACILITIES-BASED LOCAL EXCHANGE SERVICES T.R.A. NO. 1

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*Pagination changes due to relocation of text/addition of services.

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FACILITIES-BASED LOCAL EXCHANGE SERVICES
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EXPLANATION OF SYMBOLS

The following symbols are used for the purposes indicated below:

- C** - To signify change in Meaning of text
- D** - To signify a decreased rate
- I** - To signify an increased rate
- N** - To signify new material
- T** - To signify text clarification
- M** - To signify relocation of text without change

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NETWORK TELEPHONE CORPORATION
FACILITIES-BASED LOCAL EXCHANGE SERVICES
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APPLICATION OF TARIFF

This tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of intrastate communications services by Network Telephone Corp., to Customers within the local exchange service areas defined herein.

ISSUED: January 4, 2000

EFFECTIVE:

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NETWORK TELEPHONE CORPORATION
FACILITIES-BASED LOCAL EXCHANGE SERVICES
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1. Definitions

Account Codes: Allows a user to allocate local calls to a digital, non-verified account code.

Advance Payment: Payment of all or part of a charge is required before the start of service.

Authority: The Tennessee Regulatory Authority or its successor.

Authorized User: A person firm, corporation or other entity that is authorized by the Customer to use local exchange telephone service or is placed in a position by the Customer, either through acts or omissions, to use local exchange telephone service.

Automatic Call Return: Allows the customer to return a call to the last number received by pressing a preassigned number.

Call Forward Busy: Automatically routes incoming calls to a designated answering point when the called line is busy.

Call Forward No Answer: Automatically routes incoming calls to a designated answering point when the called line does not answer within a pre-specified number of rings.

Call Forward Variable: Automatically routes incoming calls to a designated answering point, regardless of whether the users station is idle or busy.

Call Hold: Allows the user to hold one call for any length of time provided that neither party goes On Hook.

Call Park: Allows a User to park a call against their directory number within the business group and "unpark" the call from any other directory number. A business group consists of a series of Customer-defined telephone numbers.

Call Pickup: Allows a user to answer incoming calls to another station line within a defined call pickup group. Call Pickup is provided as either Group Call Pickup, where predesignated groups can pick up each others calls by activating an access code or a feature key, or Directed Call Pickup, where any call can be retrieved by dialing a different access code followed by the extension number.

ISSUED: January 4, 2000

EFFECTIVE:

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NETWORK TELEPHONE CORPORATION
FACILITIES-BASED LOCAL EXCHANGE SERVICES
T.R.A. NO. 1

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1. Definitions (Contd.)

Call Transfer/Consultation/Conference: Provides the capability to transfer or add a third party, using the same line.

Call Waiting: Provides the user with a burst of tone to indicate that another call is waiting. The second call can either be answered by flashing the switchhook or hanging up the phone and being rung back by the caller.

Call Waiting Cancel: Allows a user to cancel the Call Waiting feature on a per call basis by dialing a specific two digit code.

Calling Number Delivery: Identifies the 10-digit number of the calling party.

Calling Number Delivery Blocking: Blocks the delivery of the number to the called party on a per call basis.

Class of Service (COS): Used to prevent a station from dialing certain codes and numbers.

Company: Network Telephone Corp., which is the issuer of this tariff.

Conference Calling: The user can sequentially call additional parties and add them together to create a conference call.

Customer: The person, firm, corporation or other entity which orders service and is responsible for the payment of charges and for compliance with the Company's tariff regulations.

Customer Group Dialing Plan: A dialing scheme shared by the members of a Customer group, such as 4 digit internal dialing.

Dial Pulse (DP): The pulse type employed by rotary dial station sets.

Direct Inward Dialing (DID): A service attribute that routes incoming calls directly to Stations, bypassing a central answering point.

ISSUED: January 4, 2000

EFFECTIVE:

Johnny Matthews, CFO
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815 S. Palafox Street
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NETWORK TELEPHONE CORPORATION
FACILITIES-BASED LOCAL EXCHANGE SERVICES
T.R.A. NO. 1

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1. Definitions (Contd.)

Do Not Disturb: Allows the user to prevent incoming calls from ringing its line by diverting them to a tone or a recorded announcement that informs the caller that the User is not accepting calls at this time.

Dual Tone Multi-Frequency ("DTMF"): The pulse type employed by tone dial station sets.

Exchange Carrier: Any individual, partnership, association, non-stock company, trust governmental entity or corporation engaged in the provision of local exchange telephone service.

Hunting: Routes a call to an idle station line. With Serial Hunting, calls to a member of a hunt group will search from that point to the end of the group and stop.

Individual Case Basis (ICB): A service arrangement in which the regulations, rates and charges are developed based on the specific circumstances of the Customer's situation.

Joint User: A person, firm or corporation designated by the Customer as a user of local exchange service furnished to the Customer by the Company, and to whom a portion of the charge for such facilities is billed under a joint use arrangement.

LATA: A local access and transport area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No.82-0192 for the provision and administration of communications services.

Least Idle Trunk Selection (LI DL): LIDL trunk selection occurs when a switching unit selects from a Trunk group the Trunk that has been idle for the shortest period of time.

Local Calling: A completed call or telephonic communication between a calling station and any other station within the local service area of the calling Station.

Local Exchange Carrier: A company which furnishes exchange telephone service.

Mbps: Megabits, or millions of Bits, per second.

Message Toll Service: Provides the customer with the ability to originate a call between points within a Local Access and Transport Area.

ISSUED: January 4, 2000

EFFECTIVE:

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815 S. Palafox Street
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NETWORK TELEPHONE CORPORATION
FACILITIES-BASED LOCAL EXCHANGE SERVICES
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1. Definitions (Contd.)

Message Waiting: This feature provides an indication to a station user that a message is waiting. Indications may be visual (lamp) or audible (stuttered dial tone).

Most Idle Trunk Selection (MIDL): MIDL Trunk selection occurs when a switching unit selects from a Trunk group the Trunk that has been idle for the longest period of time.

Multiple Appearance Directory Numbers: A directory number that is assigned more than once to one or more Proprietary Business Sets.

Multi-Frequency ("M F"): An inter-machine pulse-type used for signaling between telephone switches, or between telephone switches and PBXI key systems.

Non-Recurring Charges: The one-time initial charges for services or facilities, including but not limited to charges for construction, installation, or special fees, for which the Customer becomes liable at the time the service order is executed.

Off-Hook: The term "off-hook" denotes the active condition of a telephone exchange service line.

On-Hook: The term "on-hook" denotes the idle condition of a telephone exchange service line.

Presubscription: Presubscription is an arrangement whereby an end user may select and then designate to a Local Exchange Company an interexchange carrier (IC) to access, without an access code, for interLATA calls. This IC is referred to as the end user's predesignated IC.

Recurring Charges: The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

Service Commencement Date: The first day following the date on which the Company notifies the Customer that the requested service or facility is available for use, unless extended by the Customer's refusal to accept service which does not conform to standards set forth in the Service Order or this tariff, in which case the Service Commencement Date is the date of the Customer's acceptance of service. The parties may mutually agree on a substitute Service Commencement Date.

ISSUED: January 4, 2000

EFFECTIVE:

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815 S. Palafox Street
Pensacola, Florida 32501

NETWORK TELEPHONE CORPORATION
FACILITIES-BASED LOCAL EXCHANGE SERVICES
T.R.A. NO. 1

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1. Definitions (Contd.)

Service Order: The written request for local exchange services executed by the Customer and the Company in a format specified by the Company. The signing of a Service Order by the Customer and acceptance thereof by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff¹ but the duration of the service is calculated from the Service Commencement Date.

Services: The Company's telecommunications services offered on the Company's network.

Station: Telephone equipment from or to which calls are placed.

Three-Way Calling: This feature allows the customer to add another person to an existing conversation and have a three-party conference call.

Trunk: A communications path connecting two switching systems in a network, used in the establishment of an end-to-end connection.

User: A Customer or any other person authorized by the Customer to use service provided under this tariff.

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EFFECTIVE:

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815 S. Palafox Street
Pensacola, Florida 32501

NETWORK TELEPHONE CORPORATION
FACILITIES-BASED LOCAL EXCHANGE SERVICES
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2. Regulations

2.1 Undertaking of the Company

2.1.1 Scope

The Company undertakes to furnish communications service in connection with one-way and/or two-way information transmission between points within the State of Tennessee under the terms of this tariff.

Customers may use services and facilities provided under this tariff to obtain access to services offered by other service providers. The Company is responsible under this tariff only for the services and facilities provided herein, and it assumes no responsibility for any service provided by any other entity that purchases access to the Company network in order to originate or terminate its own services, or to communicate with its own Customers.

2.1.2 Shortage of Equipment or Facilities

2.1.2.1 The Company reserves the right to limit or allocate the use of existing facilities, or of additional facilities offered by the Company when necessary because of lack of facilities or due to some other cause beyond the Company's control.

2.1.2.2 The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's fiber optic cable facilities as well as facilities the Company may obtain from other carriers, from time to time, to furnish service as required at the sole discretion of the Company.

ISSUED: January 4, 2000

EFFECTIVE:

Johnny Matthews, CFO
Network Telephone Corp.
815 S. Palafox Street
Pensacola, Florida 32501

NETWORK TELEPHONE CORPORATION
FACILITIES-BASED LOCAL EXCHANGE SERVICES
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2 Regulations (Contd.)

2.1 Undertaking of the Company (Contd.)

2.1.3 Terms and Conditions

- 2.1.3.1 Except as otherwise provided herein, service is provided and billed on the basis of a minimum period of at least one month, and will continue to be provided until canceled by the Customer, in writing, on not less than 30 days notice. Unless otherwise specified herein, for the purpose of computing charges in this tariff, a month is considered to have 30 days. All calculations of dates set forth in this tariff will be based on calendar days, unless otherwise specified herein.
- 2.1.3.2 Customers may be required to enter into written Service Orders which will contain or reference the name of the Customer, a specific description of the service ordered, the rate to be charged, the duration of the services, and the terms and conditions in this tariff.
- 2.1.3.3 At the expiration of the initial term specified in each Service Order, or in any extension thereof, service will continue on a month to month basis at the then current rates unless terminated by either party upon 30 days written notice. Any termination will not relieve Customer of its obligation to pay any charges incurred under the Service Order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the Service Order will survive such termination.
- 2.1.3.4 This tariff shall be interpreted and governed by the laws of the State of Tennessee without regard of the State's choice of laws provision.
- 2.1.3.5 Another telephone company must not interfere with the right of any person or entity to obtain service directly from the Company.

ISSUED: January 4, 2000

EFFECTIVE:

Johnny Matthews, CFO
Network Telephone Corp.
815 S. Palafox Street
Pensacola, Florida 32501

NETWORK TELEPHONE CORPORATION
FACILITIES-BASED LOCAL EXCHANGE SERVICES
T.R.A. NO. 1

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2. Regulations (Contd.)

2.1 Undertaking of the Company (Contd.)

2.1.3 Terms and Conditions (Contd.)

2.1.3.6 The Customer has no property right to the telephone number or any other call number designation associated with services furnished by the Company. The Company reserves the right to change such numbers, or the central office designation associated with such numbers, or both, assigned to the Customer, whenever the Company deems it necessary to do so in the conduct of its business.

2.1.3.7 The Customer agrees to operate Company-provided equipment in accordance with instructions of the Company or the Company's agent. Failure to do so will void Company liability for interruption of service and may make the Customer responsible for damage to equipment pursuant to section 2.1.3.8 below.

2.1.3.8 The Customer agrees to return all Company-provided equipment within five (5) days of termination of the service for which the equipment was used. Said equipment shall be in the same condition as when delivered to Customer, normal wear and tear only excepted. Customer shall reimburse the Company, upon demand, for any costs incurred by the Company due to Customer's failure to comply with this provision.

2.1.4 Liability of the Company

Because the Customer has exclusive control of its communications over the services furnished by the Company, and because interruptions and errors incident to these services are unavoidable, the services the Company furnishes are subject to the terms, conditions, and limitations specified in this tariff and to such particular terms, conditions, and limitations as set forth in the special regulations applicable to the particular services and facilities furnished under this tariff.

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2 Regulations (Contd.)

2.1 Undertaking of the Company (Contd.)

2.1.4 Liability of the Company (Contd.)

- 2.1.4.1 The liability of the Company for damages arising out of the furnishing of these services¹ including but not limited to mistakes omissions, interruptions¹ delays, or errors, or other defects, representations, or use of these services or arising out of the failure to furnish the service, whether caused by acts of commission or omission, will be limited to the extension of allowances for interruption. The extension of such allowances for interruption will be the sole remedy of the Customer, authorized user, or joint user and the sole liability of the Company.
- 2.1.4.2 The Company will not be liable or responsible for any special, consequential, exemplary, lost profits, or punitive damages, whether or not caused by the intentional acts or omissions or negligence of the Company's employees, agents or contractors.
- 2.1.4.3 The Company will not be liable for any failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or any civil or military authority; national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials; or strikes, lockouts, work stoppages, or other labor difficulties.
- 2.1.4.4 The Company shall not be liable for any act or omission of any entity furnishing to the Company or to the Company's Customers, facilities or equipment used for or with the services the Company offers.

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2. Regulations (Contd.)

2.1 Undertaking of the Company (Contd.)

2.1.4 Liability of the Company

2.1.4.5 The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer provided equipment or facilities.

2.1.4.6 The Company shall not be liable for the claims of vendors supplying equipment to Customers of the Company which may be installed at premises of the Company nor shall the Company be liable for the performance of said vendor(s)' equipment.

2.1.4.7 The Company does not guarantee nor make any warranty with respect to installations it provides for use in an explosive atmosphere. The Customer indemnifies and holds the Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal presence, condition, location, or use of any installation so provided.

2.1.4.8 The Company is not liable for any defacement of or damage to the premises of a Customer (or authorized or joint user) resulting from the furnishings of services or equipment on such premises or the installation or removal thereof, when such defacement or damage is not the result of negligence or willful misconduct on the part of the agents or employees of the Company.

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2. Regulations (Contd.)

2.1 Undertaking of the Company (Contd.)

2.1.4 Liability of the Company (Contd.)

2.1.4.9 The Company shall not be liable for any damages resulting from delays in meeting any service dates due to delays resulting from normal construction procedures. Such delays shall include, but not be limited to, delays in obtaining the necessary regulatory approvals for construction, delays in obtaining right-of-way approvals and delays in actual construction work.

2.1.4.10 The Company shall not be liable for any damages whatsoever to property resulting from the installation, maintenance, repair or removal of equipment and associated wiring unless the damage is caused by the Company's willful misconduct or negligence.

2.1.4.11 The Company shall not be liable for any damages whatsoever associated with service, facilities, or equipment which the Company does not furnish or for any act or omission of Customer or any other entity furnishing services, facilities or equipment used for or in conjunction with the Company's service.

2.1.4.12 The Company shall not incur any liability, direct or indirect to any person who dials or attempts to dial the digits "9-1-1" or to any other person who may be affected by the dialing of the digits "9-1-1."

2.1.4.13 THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

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2. Regulations (Contd.)

2.1 Undertaking of the Company (Contd.)

2.1.5 Notification of Service-Affecting Activities

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facility additions, removals or rearrangements and routine preventive maintenance. Generally, such activities are not specific to an individual Customer, but affect many Customers' services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as outage resulting from cable damage, notification to the Customer may not be possible.

2.1.6 Provision of Equipment and Facilities

2.1.6.1 The Company shall use reasonable efforts to make services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.

2.1.6.2 The Company shall use reasonable efforts to maintain facilities that it furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the facilities installed by the Company, except upon the written consent of the Company.

2.1.6.3 Equipment installed at the customer premises shall not be used for any purpose other than that for which the Company provided it.

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2. Regulations (Contd.)

2.1 Undertaking of the Company (Contd.)

2.1.6 Provision of Equipment and Facilities (Contd.)

2.1.6.4 The Company shall not be responsible for the installation, operation, or maintenance of any Customer provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Beyond this responsibility, the Company shall not be responsible for:

- (a) the transmission of signals by Customer provided equipment or for the quality of, or defects in such transmission; or
- (b) the reception of signals by Customer-provided equipment; or
- (C) network control signaling, where such signaling is performed by Customer-provided network control signaling equipment.

2.1.7 Non-routine Installation

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in hazardous locations in accordance with the provisions of 2.3.1(e). In such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours, but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

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2. Regulations (Contd.)

2.1 Undertaking of the Company (Contd.)

2.1.8 Ownership of Facilities

Title to all facilities provided in accordance with this tariff remains with the underlying facilities provider.

2.1.9 Telecommunications Service Priority

The Telecommunications Service Priority System is the regulatory, administrative and operational system authorizing and providing for priority treatment, to provide and restore National Security Emergency Preparedness Telecommunications service. Under the rules of the Telecommunications Service Priority System, The Local Exchange Company is authorized and required to provide and restore services with Telecommunications Service Priority assignments before services without such assignments. The provision and restoration of Telecommunications Service Priority System services will be in compliance with Part 64, Appendix A, of the Federal Communications Commission's Rules and Regulations, the guidelines set forth in the Telecommunications Service Priority for National Security Emergency Preparedness Service User Manual and Service Vendor Handbook.

2.2 Prohibited Uses

2.2.1 The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.

2.2.2 The Company may require a Customer to immediately shut down its transmission of signals if said transmission is causing interference to others.

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2. Regulations (Contd.)

2.3 Obligations of the Customer

2.3.1 General

The Customer will be responsible for:

- (a) the payment of all applicable charges, either non-recurring, recurring, CS, or other charges, pursuant to this tariff;
- (b) reimbursing the Company for damage to, or loss of, the Company's facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer, with these regulations; or by fire or theft or other casualty on the Customer's premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company. The Company will, upon reimbursement for damages, cooperate with the Customer in prosecuting a claim against the person causing such damage and the Customer will be subrogated to the Company's right of recovery of damages to the extent of such payment;
- (c) providing at no charge, as specified from time to time by the Company, any needed personnel, equipment, space and power to operate Company facilities and equipment installed on the premises of the Customer, and the level of heating and air-conditioning necessary to maintain the proper operating environment on such premises;
- (d) obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduit necessary for installation of fiber optic cable and associated equipment used to provide local exchange service to the Customer from the cable building entrance or property line to the location of the equipment space described in 2.3.1(c). Any costs associated with the obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company-provided facilities, will be borne entirely by, or may be charged by the Company to, the Customer. The Company may require the Customer to demonstrate its compliance with this section prior to accepting an order for service;

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2. Regulations (Contd.)

2.3 Obligations of the Customer (Contd.)

2.3.1 General (Contd.)

- (e) providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents will be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company's employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material (e.g., friable asbestos) prior to any construction or installation work;
- (f) complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of Company facilities and equipment in any Customer premises or the rights-of-way for which Customer is responsible under Section 2.3.1(d) above; and granting or obtaining permission for Company agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company;
- (g) not creating or allowing to be placed or maintained any liens or other encumbrances on the Company's equipment or facilities; and
- (h) making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance for interruptions in service will be made for the period during which service is interrupted for such purposes.

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2, Regulations (Contd.)

2.3 Obligations of the Customer (Contd.)

2.3.2 Claims

With respect to any service or facility provided by the Company, the Customer shall indemnify, defend and hold harmless the Company from all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees for:

- (a) any loss, destruction or damage to property of the Company or any third party, or the death of or injury to persons, including, but not limited to, any employee or invitee of either the Company or the Customer, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees; or
- (b) any claim, loss damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer, including, without limitation, use of the Company's services and facilities in a name not contemplated by the agreement between the Customer and the Company.

2.4 Customer Equipment and Channels

2.4.1 General

A Customer may transmit or receive information or signals via the facilities provided by the Company's underlying carrier.

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2. Regulations (Contd.)

2.4 Customer Equipment and Channels (Contd.)

2.4.2 Station Equipment (Contd.)

2.4.2.1 The Customer is responsible for providing and maintaining any terminal equipment on the Customer premises. The electric power consumed by such equipment will be provided by, and maintained at the expense of, the Customer. All such terminal equipment must be registered with the FCC under 47 C.F.R., Part 68 and all wiring must be installed and maintained in compliance with those regulations. The Company will, where practicable, notify the Customer that temporary discontinuance of the use of a service may be required; however, where prior notice is not practicable, nothing contained herein will be deemed to impair the Company's right to discontinue forthwith the use of a service temporarily if such action is reasonable under the circumstances. In case of such temporary discontinuance, the Customer will be promptly notified and afforded the opportunity to correct the condition which gave rise to the temporary discontinuance. During a period of such temporary discontinuance, a credit allowance for service interruption, as set forth in Section 2.6 following is not applicable.

2.4.2.2 The Customer is responsible for ensuring that Customer-provided equipment connected to Company's equipment or facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.

2.4.3 Interconnection of Facilities

2.4.3.1 Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing local exchange service and the channels, facilities, or equipment of others may be provided at the Customer's expense.

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2. Regulations (Contd.)

2.4 Customer Equipment and Channels (Contd.)

2.4.3 Interconnection of Facilities (Contd.)

2.4.3.2 Local Service may be connected to the services or facilities other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communications carriers which are applicable to such connections.

2.4.3.3 Facilities furnished under this tariff may be connected to Customer provided terminal equipment in accordance with the provisions of this tariff.

2.4.4 Inspections

2.4.4.1 Upon reasonable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in Section 2.4.2.2 for the installation, operation, and maintenance of Customer-provided facilities and equipment to Company-owned facilities and equipment. No credit will be allowed for any interruptions occurring during such inspections.

2.4.4.2 If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice the customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm. The Company will, upon request 24 hours in advance, provide the Customer with a statement of technical parameters that the Customer's equipment must meet.

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2. Regulations (Contd.)

2.5 Payment Arrangements

2.5.1 Payment for Service

The Customer is responsible for payment of all charges for service and facilities furnished by the Company to the Customer or its Joint or Authorized Users. Objections must be received by the Company within 30 days after a statement of account is rendered, or the charges shall be deemed correct and binding upon the Customer. If an entity other than the Company imposes charges on the Company, in addition to its own internal costs, in connection with a service for which any Company charge is applicable, those charges may be passed on to the Customer.

2.5.1.1 Taxes: The Customer is responsible for the payment of any sales, use, gross receipts, excise, access or other local, state and federal taxes, charges, user fees, or surcharges (however designated) excluding taxes on the Company's net income imposed on or based upon the provision of Local Exchange Services, all of which shall be separately designated on the Company's invoices. Any taxes imposed by a local jurisdiction (e.g., County and municipal taxes) will only be recovered from those Customers residing in the affected jurisdictions. It shall be the responsibility of the Customer to pay any such taxes that subsequently become applicable retroactively.

2.5.1.2 A surcharge is imposed on all charges for service originating at addresses in states which levy, or assert a claim of right to levy, a gross receipt tax on the Company's operations in any such state, or a tax on interstate access charges incurred by the Company for originating access to telephone exchanges in that state. This surcharge is based on the particular state's receipts tax and other state taxes imposed directly or indirectly upon the Company by virtue of, and measured by, the gross receipts or revenues of the Company in that state and for payment of interstate access charges in that state. The surcharge will be shown as a separate line item on the Customer's monthly invoice.

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2. Regulations (Contd.)

2.5 Payment Arrangements (Contd.)

2.5.2 Billing and Collection of Charges

Bills will be rendered monthly to Customer.

2.5.2.1 All service, installation, monthly Recurring Charges and Non-Recurring Charges are due and payable upon receipt.

2.5.2.2 The Company shall present bills for all charges monthly in arrears to the Customer. The Company reserves the right to bill any charges in advance at its discretion.

2.5.2.3 The company shall present bills for Recurring Charges and usage charges monthly to the Customer in arrears. The company reserves the right to bill Recurring Charges in advance based upon its evaluation of the Customers credit worthiness and payment history.

2.5.2.4 Amounts not paid within 30 days after the date of invoice are considered past due. A late payment fee of 1.5% per month may be applied.

2.5.2.5 A \$20.00 charge will be assessed for checks with insufficient funds or nonexistent accounts.

2.5.3 Disputed Bills

The Customer shall notify the Company of any disputed items on a bill within 30 days of receipt of the bill. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may file a complaint with the Tennessee Regulatory Authority or its successor in accordance with the TRA's rules of procedure.

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2. Regulations (Contd.)

2.5 Payment Arrangements (Contd.)

2.5.3 Disputed Bills (Contd.)

2.5.3.1 The date of the dispute shall be the date on which the Company receives sufficient documentation to enable it to investigate the dispute. The date of the resolution is the date the Company completes its investigation and notifies the Customer of the disposition of the dispute.

2.5.4 Advance Payments

To safeguard its interests, the Company may require a Customer to make an Advance Payment before services and facilities are furnished. The Advance Payment will not exceed an amount equal to the Non-Recurring Charge(s) and three months' charges for the service or facility. In addition, where special construction is involved, the Advance Payment may also include an amount equal to the estimated Non-Recurring Charges for the special construction and Recurring Charges (if any) for a period to be set between the Company and the Customer. The Advance Payment will be credited to the Customer's initial bill. An Advance Payment may be required in addition to a deposit.

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2. Regulations (Contd.)

2.5 Payment Arrangements (Contd.)

2.5.5 Deposits

2.5.5.1 Applicants for service or existing Customer's whose financial condition is not acceptable to the Company, or is not a matter of general knowledge, may be required at any time to provide the Company a security deposit. The deposit requested will be in cash or the equivalent of cash, and will be held as a guarantee for the payment of charges. A deposit does not relieve the Customer of the responsibility for the prompt payment of bills on presentation. The deposit will not exceed an amount equal to:

- (a) two months' charges for a service or facility which has a minimum payment period of one month; or
- (b) the charges that would apply for the minimum payment period for a service or facility which has a minimum payment period of more than one month; except that the deposit may include an additional amount in the event that a termination charge is applicable. In addition, the Company shall be entitled to require such an applicant or Customer to pay all bills within a specified period of time, and to make such payments in cash or the equivalent of cash. At the Company's option, such deposit may be refunded to the Customer's account at any time. Also, the Company reserves the right to cease accepting and processing Service Orders after it has requested a security deposit and prior to the Customer's compliance with this request.

2.5.5.2 A deposit may be required in addition to an advance payment.

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2. Regulations (Contd.)

2.5 Payment Arrangements (Contd.)

2.5.5 Deposits (Contd.)

2.5.5.3 When a service or facility is discontinued, the amount of a deposit, if any, will be applied to the Customer's account and any credit balance remaining will be refunded. Before the service or facility is discontinued, the Company may, at its option, return the deposit or credit it to the Customer's account.

2.5.5.4 Deposits held will accrue interest at the rate of 6% per year.

2.5.6 Discontinuance of Service

2.5.6.1 Upon nonpayment of any amounts owing to the Company, the Company may, by giving requisite prior written notice to the Customer in accordance with Tennessee Administrative Code, discontinue or suspend service without incurring any liability.

2.5.6.2 Upon violation of any of the other material terms or conditions for furnishing service the Company may, by giving 30 days' prior notice in writing to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.

2.5.6.3 Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.

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2. Regulations (Contd.)

2.5 Payment Arrangements (Contd.)

2.5.6 Discontinuance of Service (Contd.)

2.5.6.4 Upon the Customer's insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, failing to discharge an involuntary petition within the time permitted by law, or abandonment of service, the Company may, with prior notice to the customer, immediately discontinue or suspend service without incurring any liability.

2.5.6.5 Upon any governmental prohibition, or required alteration of the services to be provided or any violation of any applicable law or regulation, the Company may immediately discontinue or suspend service without incurring any liability.

2.5.6.6 The Company may discontinue the furnishings of any and/or all service(s) to a Customer, without incurring any liability:

2.5.6.6.1 Immediately and without notice if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its personnel, agents, facilities or services. The Company may discontinue service pursuant to this subsection 2.5.6.6.1 (a-f) if:

- (a) The Customer refuses to furnish information to the Company regarding the Customer's creditworthiness, its past or current use of common carrier communications services or its planned use of service(s); or

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2. Regulations (Contd.)

2.5 Payment Arrangements (Contd.)

2.5.6 Discontinuance of Service (Contd.)

2.5.6.6.1(Contd.)

- (b) The Customer provides false information to the Company regarding the Customer's identity, address, creditworthiness, past or current use of common carrier communications services, or its planned use of the Company's service(s); or
- (c) The Customer has been given ten (10) day written notice by the Company of any past due amount (which remains unpaid in whole or in part) for any of the Company's other common carrier communications services to which the Customer either subscribes or had subscribed or used; or
- (d) The Customer uses, or attempts to use, service with the intent to avoid the payment, either in whole or in part, of the tariffed charges for the service by:
 - (d.1) Using or attempting to use service by rearranging, tampering with, or making connections to the Company's service not authorized by this tariff; or
 - (d.2) Using tricks, schemes, false or invalid numbers, false credit devices, electronic devices; or
 - (d.3) Any other fraudulent means or devices; or

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2 Regulation (Contd.)

2.5 Payment Arrangements (Contd.)

2.5.6 Discontinuance of Service (Contd.)

2.5.6.6.1 (Contd.)

(e) Use of service in such a manner as to interfere with the service of other users; or

(f) Use of service for unlawful purposes.

2.5.6.6.2 Immediately upon written notice to the Customer of any sum thirty (30) days past due; or

2.5.6.6.3 Upon ten (10) days written notice to the Customer, after failure of the Customer to comply with a request made by the Company for security for the payment of service in accordance with Section 2.5.5; or

2.5.6.6.4 Ten (10) days after sending the Customer written notice of noncompliance with any provision of this tariff if the noncompliance is not corrected within that (10) day period; or

2.5.6.6.5. Upon five (5) days written notice, excluding Sundays and holidays, for nonpayment of a bill for service.

2.5.6.7 The suspension or discontinuance of service(s) by the Company pursuant too this Section does not relieve the Customer of any obligation to pay the Company for charges due and owing for service(s) furnished during the time of or up to suspension or discontinuance.

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2. Regulation (Contd.)

2.5 Payment Arrangements (Contd.)

2.5.6 Discontinuance of Service (Contd.)

2.5.6.6 Upon the Company's discontinuance of service to the Customer under Section 2.5.6.1 or 2.5.6.2, all applicable charges, including termination charges, shall become due. This is in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff.

2.6 Allowances for Interruptions of Service

2.6.1 Credits for Interruptions: when the use of service or facilities furnished by the Company is interrupted due to any cause other than the negligence or willful act of the Customer, or the operation or failure of the facilities or equipment provided by the Customer, a pro rata adjustment of the monthly Recurring Charges subject to interruption will be allowed for the service and facilities rendered useless and inoperative by reason of the interruption whenever said interruption continues for a period of 24 hours or more from the time the interruption is reported to or known to exist by the Company, except as otherwise specified in the Company's tariffs. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.

For calculating credit allowances, every month is considered to have 30 days. A credit allowance is applied on a pro rata basis against the monthly Recurring Charges specified hereunder for Basic Access or Local Trunk Service and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit. Credit allowances for service outages that exceed 24 hours in duration will be rounded up to the next whole 24 hours.

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2. Regulation (Contd.)

2.6 Allowances for Interruptions of Service (Contd.)

2.6.2 Limitations on Allowances

No credit allowance will be made for:

- (a) interruptions due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer, Authorized User, Joint-User, or other common carrier providing service connected to the service of Company;
- (b) interruptions due to the negligence of any person other than the Company including but not limited to the Customer or other common carriers connected to the Company's facilities;
- (c) interruptions due to the failure or malfunction of non-Company equipment;
- (d) interruptions of service during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;
- (e) interruptions of service during a period in which the Customer continues to use the service on an impaired basis;
- (f) interruptions of service during any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- (g) interruption of service due to circumstances or causes beyond the control of the Company.

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2. Regulations (Contd.)

2.6 Allowances for Interruptions of Service (Contd.)

- 2.6.3 Use of Alternative Service Provided by the Company: Should the Customer elect to use an alternative service provided by the Company during the period that a service is interrupted the Customer must pay the tariffed rates and charges for the alternative service used.

2.7 Cancellation of Service

2.7.1 Cancellation of Application for Service

- 2.7.1.1 Applications for service cannot be canceled, unless the Company otherwise agrees, where the Company permits Customer to cancel an application for service prior to the start of service or prior to any special construction, no charges will be imposed except for those specified below.
- 2.7.1.2 where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of service ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service begun.
- 2.7.1.3 The special charges described in 2.7.1.1. and 2.7.1.2 will be calculated and applied on a case-by-case basis.

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2. Regulations (Contd.)

2.7 Cancellation of Service (Contd.)

2.7.2 Cancellation of Service by the Customer

If a Customer cancels a Service Order or terminates services before the completion of the term for any reason whatsoever other than a service interruption (as defined in 2.6.1 above), Customer agrees to pay to Company following sums which shall become due and owing as of the effective date of the cancellation or termination and be payable within the period set forth in 2.5.2: all costs, fees and expenses reasonably incurred in connection with

- (1) All Non-Recurring Charges reasonably expended by Company to establish service to Customer, plus
- (2) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by Company on behalf of Customer, plus
- (3) all Recurring Charges specified in the applicable Service Order tariff for the balance of the then current term.

2.8 Transfer and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties (a) to any subsidiary, parent company or affiliate of the Company; (b) pursuant to any sale or transfer of substantially all the assets of the Company; or (c) pursuant to any financing, merger or reorganization of the Company.

2.9 Notices and Communications

- 2.9.1 The Customer shall designate on the Service Order an address to which the Company shall mail or deliver all notices and other communications, except that Customer may also designate a separate address to which the Company's bills for service shall be mailed.

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2. Regulations (Contd.)

2.9 Notices and Communications (Contd.)

- 2.9.2 The Company shall designate on the Service Order and address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate a separate address on each bill for service to which the Customer shall mail payment on that bill.
- 2.9.3 All notices or other communications required to be given pursuant to this tariff will be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following deposit of the notice, communication or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- 2.9.4 The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

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SECTION 3 - SERVICE DESCRIPTION

3.1 Timing of Calls

3.1.1 When Billing Charges Begin and End For Phone Calls

The customer's usage charge is based on the actual usage of the Company's network. Usage begins when the called party picks up the receiver, (i.e. when 2 way communication, often referred to as "conversation time" is possible.). When the called party picks up is determined by hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. When software answer supervision is employed, up to 60 seconds of ringing is allowed before it is billed as usage of the network. A call is terminated when the calling or called party hangs up.

3.1.2 Billing Increments

The billing increments for each service is set forth in the individual product rate section.

3.1.3 Per Call Billing Charges

Billing will be rounded up to the nearest penny for each call.

3.1.4 Uncompleted Calls

There shall be no charges for uncompleted calls.

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3. Service Description (Contd.)

3.2 **Determining Applicable Rate in Effect for Measured Use Services**

For any measured use services, for the initial minute, the rate applicable at the start of chargeable time at the calling station applies. For additional minutes, the rate applicable is that rate which is in effect at the calling station when the additional minute(s) begin. That is, if chargeable time begins during the Day Period, the Day Rate applies to the initial minute and to any additional minutes that the call continues during the rate period. If the call continues into a different rate period, the appropriate rates from that period apply to any additional minutes occurring in that rate period. If an additional minute is split between two rate periods, the rate period applicable at the start of the minute applies to the entire minute.

3.3 **Payment of Calls**

3.3.1 **Late Payment Charges**

Interest charges of 1.5% per month will be assessed on all unpaid balances more than thirty days old.

3.3.2 **Return Check Charges**

A return check charge of \$25.00 will be assessed for checks returned for insufficient funds if the face value does not exceed \$50.00, \$30.00 if the face value does exceed \$50.00 but does not exceed \$300.00, \$40.00 if the face value exceeds \$300.00 or 5% of the value of the check, which ever is greater.

3.4 **Restoration of Service**

A reconnection fee of \$25.00 per occurrence is charged when service is re-established for customers who had been disconnected for non-payment.

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3. Service Description (Contd.)

3.5 Local Service Areas

The Company will provide Local Exchange Service in the entire State of Tennessee. The Local calling service areas will coincide with those of the ILEC, unless otherwise specified.

Installation, monthly recurring and per minute usage charges will apply to the Company's local exchange services. An addition per-call operator service charge will apply for operator-assisted calling.

3.6 Product Descriptions

3.6.1 **Business Services**

Business Services are offered for local calling using the facilities of the Company and/or those of other authorized Local Exchange Carriers. Business Services are offered primarily to the following:

1. Offices, stores, factories, mines and all other places of a strictly business nature;
2. Offices of hotels, boarding houses, apartment houses, colleges, quarters occupied by clubs and fraternal societies, public, private or parochial schools, hospitals, nursing homes, libraries, churches, and other institutions; and
3. Services terminating solely on the secretarial facilities of a telephone answering bureau.

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3. Service Description (Contd.)

3.6 **Product Descriptions, cont.**

3.6.1 **Business Services, cont.**

3.6.1.A **Business Exchange Line Service**

Business Exchange Line Service provides a facility from a Customer's location to the Company's Central Office and gives the Customer the ability to complete local and long distance calls. This service provides Customer with unlimited local calling, including rotary/hunting service, at a flat monthly rate. Special rates are offered to customers who purchase this service in conjunction with the Company's Business long distance products. Options available with Business Exchange Line Service include Call Waiting, Call Forwarding, Three-way Calling and Speed Dialing, as well as Class Features. Installation charges apply.

3.6.1.B **Private Branch Exchange (PBX) Service**

The Company's PBX Service uses PBX Trunks to connect a customer PBX system or other similar equipment to the Company's Central Office. Standard configurations include Local CO Trunks, Direct Inward Dialing (DID), Direct Outward Dialing (DOD) and Combination Trunks. This service provides Customers with unlimited local calling, rotary/hunting service and Carrier Access. The Company treats these trunks similar to individual exchange lines and supports multi-line hunting over a group of trunks. Service is billed based on monthly usage, together with monthly recurring charges. Special rates are offered to customers who purchase this service in conjunction with the Company's long distance products. Installation charges also apply.

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3. Service Description (Contd.)

3.6 **Product Descriptions, cont.**

3.6.1 **Business Services, cont.**

3.6.1.C **Optional Business Features**

3.6.1.C.1 **Direct Inward Dial (DID) Service**

DID Service is an optional feature which can be purchased in conjunction with Company-provided PBX Trunks. DID service transmits the dialed digits for all incoming calls allowing the Customer's PBX to route incoming calls directly to individual stations corresponding to each individual DID number. Charges for DID capability and DID number blocks apply in addition to charges specified for PBX Trunks. One additive charge applies for each DIDH equipped PBX Trunk or channel. Customer is required to purchase at least one DID number block for each DID equipped trunk or trunk group, or DID-equipped channel or group. The Company reserves the right to limit the amount of DID numbers constituting a block of telephone numbers in a group. Blocks of number groups will be determined at the sole discretion of the Company's resources. In addition, the Company reserves the right to review vacant DID stations or stations not in use to determine efficient telephone number utilization. Should the Company determine, based on its own discretion, that there is inefficient number utilization, the Company may reassign the DID numbers.

The Customer has no property rights to the telephone number or any other call number destination associated with DID service furnished by the Company, and no right to the continuance of service through any particular end office. The Company reserves the right to change such numbers, or the end office designation associated with such numbers, or both; assigned to the Customer, whenever the company deems it necessary to do so in the conduct of its business.

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3. Service Description (Contd.)

3.6 **Product Descriptions, cont.**

3.6.2 Directory Listings

For each Customer of Exchange Access Service(s), the Company shall arrange for the listing of the Customer's main billing telephone number in the directory(ies) published by the dominant Local Exchange Carrier in the area at no additional charge. At a Customer's option, the Company will arrange for additional listings at an additional charge.

3.6.3 Operator-Assisted Services

Operator-assisted services are provided to Customers on a presubscribed basis. Services are also provided to Customers and Users of exchange access lines which are presubscribed to the Company's interexchange outbound calling services. Various billing arrangements are available with the Company's operator-assisted service including Calling Card, Commercial Credit Card, Collect, Person-to-Person and Third Party. Monthly and/or usage-sensitive charges apply as stated in Section 3.9, as well as per call operator charges.

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3. Service Description (Contd.)

3.6 **Product Descriptions, cont.**

3.6.3 **Operator-Assisted Services, cont.**

3.6.3.A **Operator Dialed Surcharge**

This surcharge applies to Operator, Station and Person-to-Person rated calls when the Customer has the capability of dialing all the digits necessary to complete a call, but elects to dial only the appropriate operator code and requests the operator to dial the called station. The surcharge does not apply to:

- 1) Calls where a Customer cannot otherwise dial the call due to defective equipment or trouble on the network; and
- 2) Calls in which a Company operator places a call for a calling party who is identified as being handicapped and unable to dial the call because of his/her handicap.

The Operator Dialed Surcharge applies in addition to any other applicable operator charges.

3.2.4.B **Busy Line Verify and Line Interrupt Service**

Upon request of a calling party, the Company will verify a busy condition on a called line. The operator will determine whether the line is clear or in use and report its status to the calling party. The operator will interrupt the call on the called line only if the calling party indicates an emergency and requests interruption.

A charge will apply when:

1. The operator verifies that the line is busy with a call in progress;
2. The operator verifies that the line is unavailable for incoming calls; or

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3. Service Description (Contd.)

3.6 **Product Descriptions, cont.**

3.6.3 **Operator-Assisted Services, cont.**

3.6.3.B **Busy Line Verify and Line Interrupt service, cont.**

3. The operator verifies that the called number is busy with a call in progress and customer requests interruption. The operator will then interrupt the call, advising the called party of the name of the calling party. A per minute charge will apply for both verification and interruption.

No charge will apply when:

1. The calling party advises that the call is to or from an official public emergency agency; or
2. Under conditions other than the three stated above.
Busy Verification and Interrupt service is furnished where and to the extent that facilities permit. The Customer shall indemnify and hold the Company harmless against all claims that may arise from either party to the interrupted call or any person.

3.6.4 **Directory Assistance**

Customers and users of the Company's services (excluding Toll Free services) may obtain directory' assistance in determining telephone numbers within the state by calling the Directory Assistance operator.

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3. Service Description (Contd.)

3.6 **Product Descriptions, cont.**

3.6.4 **Directory Assistance, cont.**

A credit will be given for calls to Directory Assistance when;

1. The Customer experiences poor transmission or is cut-off during the call,
2. The Customer is given an incorrect telephone number, or
3. The Customer inadvertently misdials an incorrect Directory Assistance NPA.

To receive a credit, the customer must notify the Company operator or Business Office of the problem experienced.

Exemptions

1. The single-line main telephone exchange line of a handicapped user, as defined by the Federal Register, Vol.35 #126, which has been registered with the Company will be exempt from Directory Assistance charges for the first 50 calls within a billing cycle as set forth in Section 3.10.1.
2. Directory Assistance attempts to telephone numbers which are non-listed or non-listed and non-published are exempt from the rate.

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3. Service Description (Contd.)

3.6 **Product Descriptions, cont.**

3.6.5 Extended and Expanded Area Calling Services

Extended and Expanded Area Calling Service allows the Customer to make calls to specific NXX codes within designated exchanges outside the Customer's Local Calling area without paying intraLATA toll rates. The Customer is billed per call according to the duration of the call. The Company will mirror all existing extended and expanded calling areas the ILEC currently has in place for facilities-based or resold services.

3.6.6 Prepaid Local Service

Allows residential customers who could not otherwise obtain local service due to an unsatisfactory credit history to obtain such service on a prepaid basis. A customer is required to pay for the service in advance. Upon establishment of the service, the customer can place or receive calls to or from any calling station in the local calling area, access basic 911 emergency service and where available, place calls to toll free numbers.

This service cannot be used to originate calls to another company's caller-paid information service (e.g. 900,976) or to originate long distance calls or operator assisted calls that are billed directly to customer. Long distance calling is available to the customer provided such calls are made through the use of a prepaid calling card whose service is accessible through a toll free or local dial-up number.

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3. Service Description (Contd.)

3.7 **Business Services Rates**

3.7.1 Monthly Charges

3.7.1.A Business Main Station Line Monthly Charges

<u>Group Number</u>	<u>Rate Per Month</u>
1	\$25.69
2	\$29.26
3	\$31.11
4	\$37.09
5	\$37.71

3.7.1.B Reserved For Future Use.

3.7.2 Non-Recurring Charges

3.7.2.A Line Connection

First Line	\$55.57
Additional Line	\$29.45

3.7.2.B Line Change

First Line	\$44.65
Additional Line	\$14.25

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3. Service Description (Contd.)

3.7.2 Non-Recurring Charges (contd.)

3.7.2.C Secondary Service

Per Request \$22.80

3.7.2.D Premise Work

First 15 Minutes \$26.60

Additional 15 Minutes \$10.45

3.7.3 Optional Features

3.7.3.A Custom Calling Features

	<u>Monthly Charge</u>	<u>Per Use Charge</u>
Call Waiting	\$3.70 per line	
Call Forwarding Variable	\$3.56 per line	
Three-Way Calling	\$3.56 per line	\$0.71 per use
Speed Calling (8-Code)	\$3.08 per line	
Speed Calling (30-Code)	\$4.51 per line	
Call Forwarding - Busy Line	\$3.08 per line	
Call Forwarding - Don't Answer	\$3.08 per line	
Customer Controlled Call Forwarding Busy Line	\$5.93 per line	
Customer Controlled Call Forwarding Don't Answer	\$5.93 per line	
Call Forwarding Busy Line Multipath or Customer Control of Forwarding Busy Line Multipath	\$2.85 per path	
Call Forwarding Don't Answer Multipath or Customer Control of Forwarding Don't Answer Multipath	\$2.85 per path	
Call Forwarding Variable Multipath or Remote Access - Call Forwarding Variable Multipath	\$2.85 per path	
Remote Access-Call Forwarding Variable	\$7.36 per line	

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3. Service Description (Contd.)

3.7.3 Custom Calling Features (contd.)

	Monthly Charge	<u>Per Use Charge</u>
Call Forwarding Don't Answer Ring Control	\$3.25 per line	
Call Return	\$4.27 per line	\$0.71 per use
Repeat Dialing	\$4.27 per line	\$0.71 per use
Call Selector	\$3.32 per line	
Preferred Call Forwarding	\$3.32 per line	
Call Block	\$4.27 per line	
Call Tracing	\$4.75 per line	
Caller ID - Basic	\$7.12 per line	
Caller ID Delux (with ACR)	\$9.49 per line	
Caller ID Delux (without ACR)	\$9.49 per line	
Enhanced Caller ID (with ACR)	\$15.19 per line	
Enhanced Caller ID with Call Management (with ACR)	\$16.10 per line	
Enhanced Caller ID with Call Management (with ACR and Call Forwarding Don't Answer)	\$16.10 per line	
Anonymous Call Rejection	\$3.32 per line	
Calling Number Delivery Blocking - Permanent	\$0.00 per line	

3.7.3.A Multi Feature Discounts

<u>Number of Features</u>	<u>Discount Amount</u>
2	\$0.75
3	\$2.25
4	\$4.50
5	\$6.75
6	\$9.00
7	\$11.25
8	\$13.50
9	\$15.75
10	\$18.00
11	\$20.25
12	\$22.50
13	\$24.75
14	\$27.00
15	\$29.25
16	\$31.50
17	\$33.75
18	\$36.00
19	\$38.25
20	\$40.50

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3. Service Description (Contd.)

3.8 City/Group Numbers

CITY	GROUP NUMBER	CITY	GROUP NUMBER	CITY	GROUP NUMBER
Adams-Cedar Hill	5	Greenback	4	Oliver Springs	4
Arlington	5	Greenbrier	5	Palmyra	3
Ashland City	5	Halls	1	Paris	2
Athens	2	Hampshire	2	Petersburg	1
Bean Station	4	Harriman	4	Pleasant View	5
Bells	1	Hartsville	1	Portland	5
Brent Creek	4	Henderson	1	Pulaski	1
Benton	3	Hendersonville	5	Ridgely	1
Bethel Springs	1	Henning	1	Ripley	1
Big Sandy	2C*	Hohenwald	1	Rockwood	4
Blanche	2	Hornbeak	1	Rogersville	1
Bolivar	1	Humbolt	2	Sango	3
Brownsville	1	Huntington	1	Savannah	1
Bulls Gap	3B*	Huntland	1	Selmer	1
Camden	1	Jackson	3	Sevierville	4
Carthage	1	Jasper	4	Sewanee	1
Cedar Grove	1C*	Jefferson City	4	Shelbyville	1
Centerville	1	Jellico	3	Smyrna	5
Charleston	4	Kenton	2	Sneedville	1

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CITY	GROUP NUMBER	CITY	GROUP NUMBER	CITY	GROUP NUMBER
Charlotte	5	Kingston	4	Soddy-Daisy	4
Chattanooga	4	Kingston Springs	5	Solway	4
Chestnut Hill	4	LaFollette	2	Somerville	5
Clarksville	3	LaGrange	5	South Cunningham	5
Cleveland	4	Lake City	4	South Fredonia	5
Clinton	4	Lawrenceburg	2	South Fulton	1 (KY) ³
Collierville	5	Lebanon	5	South Guthrie	1 (KY) ⁴
Columbia	2	Lenoir City	4	South Oak Grove	4 (KY) ⁵
Copper Basin	1	Lewisburg	1	South Pittsburg	4
Covington	5	Lexington	1	Spencer Mill	5
Cross-Plains Orlinda	5	Loudon	4	Spring City	4
Culleoka	2	Lyles	2B*	Springfield	5
Cumberland City	1	Lynchburg	1	Spring Hill	2
Cumberland Gap	2	Lynnville	1	Summertown	2D*
Cunningham	3	Madisonville	1	Surgoinsville	1
Dandridge	4	Manchester	2	Sweetwater	1
Dayton	4	Maryville	4	Tiptonville	1
Decatur	4	Mascot- Strawberry Plains	4	Trenton	2

³ Does not apply to the area in and around South Fulton, Tennessee which lies within the local exchange service area of Fulton, Kentucky.

⁴ Does not apply to the area in and around South Guthrie, Tennessee which lies within the local exchange service area of South Guthrie, Kentucky.

⁵ Does not apply to the area in and around South Oak Grove, Tennessee which lies within the local exchange service area of Oak Grove, Kentucky.

ISSUED: January 4, 2000

EFFECTIVE:

Johnny Matthews, CFO
Network Telephone Corp.
815 S. Palafox Street
Pensacola, Florida 32501

NETWORK TELEPHONE CORPORATION

FACILITIES-BASED LOCAL EXCHANGE SERVICES

T.R.A. NO. 1

CITY	GROUP NUMBER	CITY	GROUP NUMBER	CITY	GROUP NUMBER
Dickson	5	Maynardville	4	Triune	5
Dover	1	McEwen	1	Troy	1
Dyer	2	McKenzie	1	Tullahoma	2
Dyersburg	2	Medina	2	Union City	1
Eagleville	5	Memphis Metro	5	Vanleer	5
East Sango	5	Michie	4 (MS) ²	Wartrace	1
Elkton	1	Middleton	1	Watertown	5
Etowah	2	Milan	2	Waverly	1
Fairview	5	Morristown	2	West Vanleer	5
Fayetteville	1	Moscow	5(TN) 1(MS)	West Sweetwater	4
Flintville	1	Mt. Pleasant	2	West Whiteville	5
Fork Ridge	2(KY) ³	Murfreesboro	5	White Bluff	5
Franklin	5	Nashville	5	White House	5

2

Does not apply to the area in and around Michie, Tennessee which lies within the local exchange service area of Corinth, Mississippi.

3

Does not apply to the area in and around Fork Ridge, Tennessee, which lies within the local exchange service area of Middlesboro, Kentucky.

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FACILITIES-BASED LOCAL EXCHANGE SERVICES

T.R.A. NO. 1

CITY	GROUP NUMBER	CITY	GROUP NUMBER	CITY	GROUP NUMBER
Gallatin	5	Newbern	2	White Pine	4
Gatlinburg	4	Newport	1	Whiteville	1
Georgetown	4	Normandy	2	Whitwell	4
Gibson	2	Norris	4	Williamsport	2
Gleason	1	North Spring Hill	5	Winchester	1
Goodlettsville	5	Oak Ridge	4		
Grand Junction	1	Old Hickory	5		

* *Exceptions:* Cedar Grove - \$28.31 Lyles - \$31.06 Big Sandy - \$30.16
Summertown - \$31.11 Bulls Gap - \$32.06

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FACILITIES-BASED LOCAL EXCHANGE SERVICES
T.R.A. NO. 1

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3. Service Description (Contd.)

3.9 **Operator-Assisted Services**

Per Call Surcharges:

Station-to-Station	
Dial Calling Card	\$0.50
Operator	\$1.00
Person to Person Calls	\$2.00

3.10 **Prepaid Local Service**

A. **Non-Recurring Charges**

1. One-Time Line Activation Fee (per order) - \$45.00
2. One-Time Feature Activation Fee - \$20.00 (if features are requested at different times an activation fee will be charged fro each separate request).

B. **Monthly Recurring Charges**

1. Basic Local Service - \$39.95
2. Calling Features
 - A. Call Forwarding - \$5.00
 - B. Call Return - \$5.00
 - C. Caller ID with number delivery - \$10.00
 - D. Call Waiting - \$5.00
 - E. Non Listed Listing - \$5.00
 - F. Non Published Listing - \$5.00
 - G. Speed Calling (8 numbers) - \$5.00
 - H. Three-way Calling - \$5.00
 - I. Voice Mail (basic residential) - \$10.00
 1. Voice Mail includes call forwarding busy line, call forwarding don't answer and message waiting indication.

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SECTION 4 - SPECIAL SERVICE ARRANGEMENTS

4.1 Individual Case Basis Arrangements

Arrangements will be developed on a case-by-case basis in response to a bona fide special request from a Customer or prospective Customer to develop a competitive bid for a service not generally available under this tariff. The Company's rates will be offered to the Customer in writing and on a non-discriminatory basis. All such rates will be submitted to the Commission for approval.

ISSUED: January 4, 2000

EFFECTIVE:

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815 S. Palafox Street
Pensacola, Florida 32501

EXHIBIT I

MINORITY-OWNED BUSINESS PLAN

SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS PLAN

Policy Statement

It is the policy of Network Telephone, Corporation ("Network" or "Company") to provide an opportunity for Small Businesses, Small Disadvantaged Businesses, and Women-Owned Businesses to compete for subcontracts awarded by Network on a fair and equal basis with all suppliers and contractors. Network is committed to the identification and selection of qualified businesses in these categories, and encourages their participation.

Further, it is the policy of the Company to pay its subcontractors in a timely manner, pursuant to the terms of their subcontracts, and that its contractors establish procedures to ensure timely payment to small business and small disadvantaged business concerns.

This program is specifically directed toward complying with Federal Acquisition Regulations (FAR 19.704), Public Law 95-507, and other related law and regulations.

Definitions

Small Business Concern - means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on government contracts and qualified as a small business under the criteria and size standards in 13 CFT, Part 121 (see FAR 19.102).

Small Disadvantaged Business Concern - means a small business concern that is at least 51 percent unconditionally owned by one or more individuals who are both socially and economically disadvantaged, or a publicly owned business having at least 51 percent of its stock unconditionally owned by one or more socially or economically disadvantaged individuals and has its management and daily business controlled by one or more such individuals. This term also means a small business concern that is at least 51 percent unconditionally owned by an economically disadvantaged Indian Tribe or Native Hawaiian Organization, or publicly owned business that has at least 51 percent of its stock unconditionally owned by one of those entities that has its management and daily business controlled by members of an economically disadvantaged Indian Tribe or Native Hawaiian Organization and meets the requirements of 13 CFR Part 124.

- a) "Socially disadvantaged individuals" - means individually who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their qualities as individuals.
- b) "Economically disadvantaged individuals" - means socially disadvantaged individuals whose ability to compete in the free enterprise system is impaired due to diminished

opportunities to obtain capital and credit as compared to others in the same line of business who are not socially disadvantaged. Individuals who certify that they are members of named groups (Black Americans. Hispanic Americans. Native Americans, Asian-Pacific Americans, Subcontinent Asian-Americans) are to be considered socially and economically disadvantaged.

- 1) "Subcontinent Asian-Americans" means United States citizens whose origins are in India, Pakistan, Bangladesh, Sri Lanka, Bhutan, or Nepal.
- 2) "Asian-Pacific Americans" means United States citizens whose origins are in Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the U.S. Trust Territory of the Pacific Islands (Republic of Palau), the Northern Mariana Islands, Laos, Kampuchea (Cambodia). Taiwan, Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei, Republic of the Marshall Islands, or the Federated States of Micronesia.
- 3) "Native Americans" means American Indians, Eskimos, Aleuts, and Native Hawaiians.
- c) "Native Hawaiian Organization" means any community service organization servicing Native Hawaiians in, and chartered as a not-for-profit organization by, the State of Hawaii, which is controlled by Native Hawaiians, and whose business activities will principally benefit such Native Hawaiians.
- d) "Indian Tribe" means any Indian tribe, band, nation, or other organized group or community of Indians, including any Alaska Native Corporation as defined in 13 CFR 124.100 which is recognized as eligible for the special programs and services provided by the U.S. to Indians because of their status as Indians, or which is reorganized as such by the State in which such tribe, band, nation, group, or community resides.

Women-Owned Business - is a small business that is at least 51 percent owned by a woman or women who also control and operate the business.

- a) Control means exercising the power to make policy decisions.
- b) Operate means being actively involved in the day-to-day management.

Labor Surplus Area - means a geographical area identified by the Department of Labor in accordance with 20 CFR 654, Subpart A, as an area of concentrated unemployment or underemployment or an area of labor surplus.

Labor Surplus Area Concern - means a concern that together with its first tier subcontractors will perform substantially in labor surplus areas. Performance is substantially in labor

surplus areas if the costs incurred under the contract on account of manufacturing, production, or performance of appropriate services in labor surplus areas exceed 50 percent of the contract price.

Subcontract - is any agreement (other than one involving an employer/employee relationship) entered into by Network as a contractor, with a non-affiliated company or person(s) calling for the direct or indirect provision of services or supplies needed to support Network's operations.

Goals

Network will create an inclusive business environment which allows all persons of all races or national origins to participate as a supplier to Network. Network makes a conscious effort in developing purchasing goals to seek minority participation and has developed this plan with the stated purpose of accomplishing this goal.

Products and Services Included in This Plan

The principal products and services included in this plan are:

1. Switching and Transmission Equipment
2. Contract Labor
3. Printed Forms
4. Office Supplies - Furniture, Packing Materials, Stationary Machines, and Data Supplies
5. General Building Construction
6. Janitorial/Landscape/Yard Sweeping/Refuse Collection
7. Building Maintenance
8. Outside Plant Construction
9. Tools/Test Equipment
10. Equipment Leasing
11. Software
12. Equipment Rehabilitation and Assembly
13. Other (including, but not limited to, audio, photographs, moving, catering, etc.)

Items 2 through 13 are anticipated to have the greatest opportunities for Small Business and Small Disadvantaged Business participation.

Source Identification

Network has a policy which requires a buyer to include at least one disadvantaged business and one small business or woman-owned business on solicitations for products and services or provide a written justification as to why they did not.

Electronic databases used for sourcing suppliers include:

1. PASS (SBA) 230,000 sources
2. MBIS (NMSDC) 15,000 sources
3. California Clearinghouse 11,000 sources

Directories include:

1. Try Us 95
2. Minority-Owned High Tech Businesses (third edition 1994)
3. Black Yellow Pages
4. Women Yellow Pages
5. National Directory of Minority-Owned Business Firms (seventh edition 1995)
6. Asian Business Development Association
7. National Center for American Indian Enterprise-Development Directory
8. Various State and Organizational Directories
9. National Directory of Women-Owned Business Firms (seventh edition 1995).

Administration

General overall responsibility for administering this plan and the activities set forth herein is assigned to:

Johnny Matthews
Chief Financial Officer
Network Telephone, Corp.
815 S. Palafox
Pensacola, Florida 32501

Duties of the Small Business Development Manager

It will be the responsibility of the Administrator to ensure a good faith effort is achieved in attaining the plan goals as stated on page 4 of this plan. He will further ensure Small, Small Disadvantaged, and Women-Owned Businesses are afforded the maximum practicable opportunity to compete for Network subcontracts through assisting in "Source Identification" in this plan and performing the following duties:

1. Conduct certification surveys as to the status of suppliers.
2. Develop and maintain bidders lists of Small, Small Disadvantaged, and Women-Owned Businesses.

3. Ensure that procurement packages are structured to permit Small, Small Disadvantaged, and Women-Owned Business concerns to participate to the maximum extent possible.
4. Ensure inclusion of Small, Small Disadvantage, and Women-Owned business concerns in solicitations for products and services which they are capable of providing.
5. Ensure that the Contract Administrator documents the reasons for not selecting low bids submitted by Small, Small Disadvantaged, and Women-Owned Business concerns.
6. Ensure the establishment and maintenance of records of solicitations and contract award activity.
7. Attend or arrange for Network representatives to attend Business Opportunity Workshops, Minority Business Enterprise Seminars, Trade Fairs, etc.
8. Conduct training for acquisition personnel, regarding P.L. 95-507, and related procurement laws and regulations.
9. Monitor progress of proposed purchasing objectives.
10. Ensure that periodic contracting reports are prepared and submitted as required.
11. Coordinate the conduct of Network's activities involving the Subcontracting Plans.
12. Provide adequate and timely consideration of the potentialities of known Small, Small Disadvantaged, and Women-Owned Businesses in all "make or buy" decisions.
13. Arrange solicitations, time for preparation of bids, quantities, specifications, and delivery schedules so as to facilitate the participation of Small, Small Disadvantaged, and Women-Owned Businesses.
14. Counsel potential subcontractors on contracting opportunities available at Network.
15. Act as the company contact for suppliers interested in bidding on Network opportunities.

Conclusion

For additional information concerning this plan please contact Johnny Matthews.